

HARNESSING AND EXPLOITING THE POWER OF CULTURE FOR COMPETITIVE ADVANTAGE

A Report by



For

Liverpool City Council

and the

Core Cities Group

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HARNESSING AND EXPLOITING THE POWER OF CULTURE FOR COMPETITIVE ADVANTAGE

1. Introduction

This Report has been commissioned from COMEDIA by Liverpool City Council on behalf of The Core Cities Group. It is one of a series of contributions on key topics to the Action Plan of the joint city/regional/government Working Party on *Cities, Regions and Competitiveness* which has been established under the leadership by the Urban Policy Unit of the Office of the Deputy Prime Minister.

It follows on from an earlier piece of work commissioned from COMEDIA by the Core Cities Cultural Officers Working Group, *Releasing the Cultural Potential of Our Core Cities* (April 2002). The authors would like to acknowledge the valuable contribution of officers of Liverpool City Council and also Dr Chris Gratton of the Leisure Industries Research Centre at Sheffield Hallam University; and Douglas Clark, Director of Tenon Techlocate.

2. Purpose of the Report

- To establish the extent to which culture contributes to building the competitive advantage of successful cities, with particular regard to strategic investment and business location decisions
- To determine whether current urban and cultural policy in the UK enables English core cities to maximise their own and national competitive advantage
- To identify potential national and regional policy responses

3. Executive Summary

The main findings of this report are that:

- The world is changing and nowhere more so than in cities, where new technologies, business models, lifestyles and attitudes are combining to rewrite the rulebook on what distinguishes success from mediocrity. Once regarded as being ephemeral, attractiveness and drawing power are now key determinants in placing cities in a new hierarchy of urban competitiveness
- More and more, a broad and high quality offer of cultural facilities, industries, experiences, images and lifestyles is a basic prerequisite of a place's 'membership of the club' of internationally successful cities
- There is no simple cause and effect relationship between culture and investment but there is compelling evidence that investors favour and remain loyal to those cities who take their culture seriously, and are repelled by those who do not
- The most valuable resource a city can attract and amass is not cash but talent and one of the key locational factors for the talented 'creative class' is a rich, diverse, distinctive and urbane culture
- There are many American, European and Asian cities which have grasped this formula but few British cities can yet stand comparison with them
- In London, Britain has one very powerful urban 'talent magnet', but needs several more if it is to maintain its competitive position
- Britain does have a talent strategy but it is currently devoid of an urban and regional element, yet locational factors are more influential than ever, so deliberate and specific action by national, regional and local government is necessary
- International case studies reveal a far longer term perspective than British cities stretching over 30 years and beyond with an intense interest and research into deeper global trends. Many have a public/private mechanism to think ahead of the game
- The level of focused international networking and exploration of good practices is more developed in the best foreign examples than in British cities

- Movement in the direction of greater local financial discretion is seen as an important driver in generating and implementing an urban vision
- Cutting edge cities such as Melbourne or Bilbao recognize the multi-faceted potential of culture, including the creation of iconic facilities, using culture to increase attractiveness and participation and as a source of creativity and inspiration
- There is an urban culture and regeneration repertoire, such as the development of cultural facilities, that leading edge cities are seeking to move beyond to include developing creative milieu in specific urban areas and encouraging streetlife and more popular participation as well connecting strategies to social development
- Big events in arts and culture are increasingly used to provide the impetus for creating dramatic changes in the urban fabric, especially the Olympics- see Barcelona, Sydney and Athens. Yet only few cities successfully take this route
- High quality design is seen as a vital ingredient within urban competitiveness – internationally recognized quality is seen as a minimum and world class as the aspiration
- 'Experience required' has become the new mantra of strategy and marketing in retailing. It is a union of everyday consumption and spectacle and is turning retailing into a part of the entertainment industry often blurring the boundaries between shopping, learning and the experience of culture. Within this process icon stores play an increasingly central role
- The mutual relations between core cities and London should be seen as integral to a national competitiveness strategy
- There are divided views as to what culture and sports can contribute to cities in the inward investment community, although increasingly soft factors such as cultural depth and richness and an open business culture are seen as key drivers of investment decisions
- The word and concept of 'culture' is difficult for many people and therefore its multifaceted power is under-recognized, it is normally merely seen as cultural facilities and associated with quality of life rather than also as a source of identity, values and creativity
- Festivals and events are relatively cheap as compared to building facilities, if they are seen to fail they can be pulled back whereas a building has long term maintenance requirements

- The demand for quantification of cultural impacts differs in varied cultural contexts with the USA at one extreme, the UK in the middle and European countries at the other extreme
- The evidential base remains under-developed, there are insufficient work on the impact on property values, on new business formation especially in new economy firms, impacts on the tax base. Methodologically there are in principle no problems in providing a more solid evidential base especially for soft factors
- A major study should be made into the efficacy and transferability of the work of Richard Florida and other 'soft locational factor' theories to the UK; and also into methodologies for quantifying the impact of cultural investment on city land values, property prices and retail vitality.
- We are confident we have assembled a consortium of influential organisations which would support and oversee such a study.

- Our specific **RECOMMENDATIONS** are:

a) Strategic Investment Compacts

Government should co-ordinate a formal longer term strategic process through which key departments and national cultural agencies negotiate formal compacts with Core Cities, establishing a framework for determining investment decisions.

b) International Events Strategy

Government and the Core Cities should jointly manage a 10 year forward scanning process of major international events, expos, sporting competitions and trade fairs; and should bid jointly to attract, locate and run them in the cities.

c) Headquarters Strategy

Core cities should seek to attract international and supranational cultural agencies and trade bodies to locate their headquarters and Government should lead the way by relocating the headquarters of national cultural agencies.

d) National Centres of Excellence

Building upon existing local strengths in the creative and leisure industries, government should designate cities with national

centres of excellence and invest in R&D, technology transfer and initiative to capture international market share.

e) An LPSA for Drawing Power

A new Local Public Service Agreement should be introduced for Core Cities to encourage programmes which build regional competitiveness and Drawing Power

f) A Core City/Region Cultural Fund

A new city/regional cultural fund, administered by the DCMS in partnership with RDAs should be established to encourage programmes which develop urban critical mass alongside cross-city/region co-operation.

g) Competitive Impact of Urban Design

The Core Cities should initiate a joint project with CABE to evaluate the importance of good design and both vernacular and innovative architecture in enhancing international city competitiveness.

h) New Discretionary Revenue Streams

Given compelling evidence from overseas on the value of local financial autonomy, new pilot schemes for raising and hypothecating taxes and other revenue for local cultural purposes should be trailed in the Core Cities.

4. Background

What do we mean by 'culture'?

Culture can mean different things to different people, and definitions which attempt to include all interpretations can be so broad that they lose all value. We accept three senses in which culture is commonly used:

- *Culture as a way of life*; including historical, artistic, archaeological, anthropological heritage, the built form, the repertoire of specific local products and skills in crafts, manufacturing industry and services, local traditions of public social life, civic traditions, festivals and rituals as well as popular culture;
- *Culture as a set of values, attitudes and ways of thinking* (such as 'organisational culture');
- and a narrow functional definition of *culture as a set of activities and services*, which comprises according to the DCMS:
 - Built heritage, architecture, landscape and archaeology
 - Children's play, playgrounds and play activities
 - Countryside recreation
 - Informal leisure pursuits, entertainment and food
 - Libraries, literature, writing and publishing
 - Media, film, television, video and language
 - Museums, artefacts, archives and design
 - Parks, open spaces, wildlife habitats, water environments and countryside recreation
 - Performing and visual arts, craft and fashion
 - Sports, events, facilities and development
 - Tourism, festivals and attractions

In most cases, we will be adopting this third notion of culture because, as this is a report concerned primarily with policy and intervention in that sphere, it is necessary to work within the framework of national, regional and city government structures.

However, we would strongly assert that to restrict one's definition of culture solely to this third category is to limit one's understanding of some of the deeper and more influential forces in city development, particularly within the context of international urban competitiveness. There are three notions which we would wish the reader to carry with them throughout this report:

- **The city as a cultural icon and artefact**
successful cities have an unmistakeable brand which they have created by understanding and mobilising their unique set of cultural resources and symbolic assets. These include a city's heritage, which is strong within all of the core cities.
- **Culture as creativity and innovation**
the fuel which powers successful cities is talent, and talent is both derived from and drawn to places in which there is a rich environment of cultural creativity and innovation.
- **Culture as quality of life and identity**
the range of activities and experiences which raise life above the mundane, which allow self expression and civic pride to develop and which help to define and bind a communal identification.

In summary then, when we talk of culture in this report we mean Manchester United and the Commonwealth Games; the CBSO as well as the underground club scene of Liverpool; the Gateshead Millennium Bridge as well as the small distinctive shops, cafes and bars of Nottingham's Lace Market; Sheffield's Snooker Championships, Leeds' 24-hour city and Bristol's computer animation wizards.

And in our international case studies we also demonstrate how different understandings of culture can be more appropriate at different stages in the development of a city. For example in Rotterdam, Bilbao and Melbourne there was an initial focus on creating hard cultural infrastructures such as galleries, performance venues and stadia, though they later came to focus on attractiveness and quality of life and therefore on streetlife, entertainment and issues of safety and security. Moving beyond this Bilbao as an instance, is now emphasizing the needs to change the cultural values of the city as a whole by looking at issues of how to

make the attitudes of key leaderships and the population in general more cosmopolitan, out-going and open to risk-taking.

Implications

Cutting edge cities appear to understand and know how to work within the complexities of culture, and in particular the need to identify, celebrate and project their cultural distinctiveness. By contrast the inward-investment community – intermediaries such as advisors, business location publications or most re-locating firms – tends to think of culture as the arts (and sometimes they see sport as part of this) and within that primarily as a building for arts or sports. They emphasize the hard infrastructure, when they think culture they think museum or gallery. They neglect the soft infrastructure aspects of culture, such as how the culture of a city may or may not encourage networking or creativity. Yet significantly they highlight the business and public leadership culture of a city as a primary driver for re-location decisions as well as increasingly the need for creativity.

It should be noted that within the inward investment community there is an intense debate between those, sometimes called the traditionalists, who emphasize the 'hard factors' such as communications connections or location and those often younger members who focus increasingly on soft factors as the key determinants of decision-making. The developing consensus emerging is that both hard and soft now provide the base conditions for inward investment, whereas as before it was only the hard factors. An indication of this shift is that more research is currently underway on soft factors.

As a consequence in the traditional list of 11 inward investment factors (see below) culture is subsumed under quality of life, a relatively low scoring factor. The focus here is on culture and sports as amenity. The same relatively narrow view is taken by government agencies such as the DTI.

What does culture add to cities?

The conventional wisdom, at least in the UK, has been that culture is something cities gather with age and maturity to smooth and ameliorate the rough edges of their primary functions as centres of production and commerce. Certainly, this approach has left Britain's cities with a fine inheritance of galleries, concert halls, libraries and museums but has not prevented an underlying sense in our British culture that for those who have the choice, the city is

a place to be escaped for those seeking the finer things in life. This attitude has also meant that as the productive and commercial roles of cities have been restructured and reassessed, doubt has been placed on the continuing relevance of these great institutions. Indeed their worthiness to receive continuing support from the public purse has been questioned – as if developing industry and city culture were mutually exclusive.

In other cities around the world we find attitudes very different. For many of the continental European cities with which our Core Cities compete, culture is part of their fundamental identity and very reason for being, regardless of the type or phase of economic activity in which they are engaged. Furthermore, cities are regarded as more attractive and rewarding than their suburbs or wider hinterlands particularly because of the quantity, quality and sheer diversity of their cultural offer.

Culture, we are also coming to understand, is a glue which binds urban communities together particularly in times and places of economic stress. An appropriate culture atmosphere in a city can also provide the pre-conditions within which it is possible to envision a future. One aspect of the vitality and viability of places is the density and frequency of sports fields, local festivals and amateur groups.

There is also a more contemporary viewpoint which regards culture as a direct and measurable source of economic power and urban competitiveness. The creative industries are a major source of wealth creation, jobs, business growth and export earnings and their propensity to cluster in our larger cities is now recognised. More than this, however, is an emerging understanding that other innovative and high growth business sectors also want to be associated with an environment which contains lots of “creatives” as well as a lively streetlife and high quality public realm and a rich provision of cultural services and facilities.

What do cities add to culture?

Business clusters may be the idea of the moment but they are nothing new to artists, simply note the clustering of guilds from the Middle Ages onwards. They have long understood that the agglomeration of the like-minded in close proximity to both subject matter and market, are the best conditions for the rapid transmission of new ideas and new work. Many of the sports and pastimes we now take for granted have also sprung from the hothouse environment that cities provide.

Cities provide both the anonymity and tolerance which innovators and new ideas need in their incipient stage, but also the opportunities of rapid access to audiences, markets and backers that any idea needs if it is to take off and fulfil its potential. Cities also provide a knowledgeable and critical public which can test the worth of an idea or product and single out the best.

No-one can predict what the next popular movement in the arts or sport will be but it is a fair bet that it will not emerge from a rural village, a suburb or even a glass and steel shed along the M4 - but from a city.

What is a core city in cultural terms?

Whilst the centrality of culture to urban life is now generally accepted, there is a further leap of the imagination still to be made, particularly within our national cultural framework. This is the recognition that whilst cultural heritage, cultural practice and cultural potential may be everywhere, there is far more of it in some places than others. And it is when cultural and economic and social activity concentrates in such places that we find the critical mass from which emerge new ideas, new movements and new wealth. This brings us to an understanding of cities as cultural 'multipliers' and 'accelerators' – places in which ideas can have far greater resonance and investment can have far greater impact.

Core cities also need to be understood as both the cultural providers and cultural drivers of much larger hinterlands – their city regions. They open access to possibilities beyond the scope of localities and through economies of scale do it more efficiently. Our best British example is Glasgow, where a conscious policy to invest in cultural critical mass in the city core has now begun to have a very positive spin-off effect on the West of Scotland. Unfortunately, in the case of English core cities, there seems to have been a countervailing 'levelling-down' trend to avoid the concentration of cultural investment in city cores.

5. Culture and the Core Cities – Position Statement

In an earlier piece of work¹ we set out the current policy environment in which the Core Cities operate and highlighted both the strengths and the challenges faced by them in realising their cultural potential. Here we summarise those findings:

The strengths and opportunities of the core cities

Asset bases

- 1.25 million people are employed in the culture, leisure, tourism and hospitality industries in the core cities
- as a stock of particularly sporting and artistic achievement and heritage, they rival and sometimes excel the capital

Innovation hotspots

- Clusters of animation companies in Bristol, computer games designers in Sheffield and music businesses in Manchester are producing global brands and playing a major role in UK plc's balance of trade surplus
- they all say being in the city – and furthermore, in *their* city is what fuels their creativity

Global and local

- Core cities bring together international elites with ordinary people in ways which benefit both, such as Manchester's Commonwealth Games community programme or West Yorkshire Playhouse's links between neighbouring council estates and Japan

Centres of creative diversity

- Recent evidence associates intolerance and social breakdown with smaller urban centres, whilst larger cities, although also suffering from the effects of racism, have a richness and critical mass of diversity which can generate hybrid inventiveness and entrepreneurial energy

Serving the region – driving the region

- Services such as Manchester's Business Library or Birmingham's central reference library bring world class facilities to millions beyond the city limits but are considered by the centre, in funding terms, as a local service – creating intolerable strains on their cities

Competing for Britain

- English core cities compete with international capital cities – and win – in the increasingly important campaign to host

¹ Comedia. (April 2002) Releasing the Cultural Potential of Our Core Cities

major events, such as Birmingham's NEC/NIA and Sheffield's sports stadia

The obstacles and challenges facing the core cities

Policy

Few national or regional cultural agencies recognise the special characteristics or potential of Core Cities and City-regions and have no policy towards them and no vehicle for dialogue with them. Uniquely, Core Cities must simultaneously fulfil a cultural role at local, regional, national and international level. Yet the tendency towards a uniformity of approach in public policy means that they are treated no differently from any other local authority which may be substantially smaller. Also, the competing demands of too many national and regional agencies and initiatives makes it impossible to take a holistic approach to cultural development in Core Cities.

Investment

The general tendency within the resourcing of culture across the regions is towards equalisation, resulting in a levelling down of the Core Cities to the average, rather than enabling them to play a leading role in driving up regional and national cultural performance. One stark example of this is the missed opportunity of the National Lottery which could have been used to re-equip and re-energise the Core Cities for their new cultural role. Instead, the Lottery has served to widen the gap between London and other cities and has been distributed piecemeal with little regard for city-regional cultural dynamics. In short there is a lack of national strategy for cultural investment in our cities.

City/national cohesion

The lack of a national strategy for the staging of major international events or the locating of centres of excellence forces Core Cities into an often reductive competition with each other and with London when they could be competing for Britain abroad. Rather than encouraging Core Cities to forge a network of cultural centres of excellence, the tendency is for them to be seen as branch plants of national cultural development centred on London. Whilst London is a global dynamo creating a number of powerful hubs can in the longer term be of benefit to both London and the core cities as strong regional centres can drive quality and a positive competitiveness.

City/regional cohesion

There is little acknowledgement of the role Core Cities play as cultural centres and service providers for their large surrounding areas. Significantly core cities have disproportionately invest local resources to play their wider roles. Most cities have inadequate provision to maintain this role yet there is no framework to enable national and regional agencies or neighbouring boroughs to work alongside them to maintain and develop services. Nor is there any consensus on the means of determining what adequate provision would be. This is an issue which the emerging Regional Assemblies will need to take into account.

Scale and complexity

Because of their size, diversity and scope of responsibility, Core Cities face a range and complexity of issues of a different order to other local authorities. This can leave culture competing for resources with basic services, leaving decision-makers with impossible dilemmas to resolve, generally to the detriment of coherent cultural policy. Also, a combination of commercial and legislative factors impact on the city centre cultural offer of large cities more than anywhere else. Core Cities face a difficult task to maintain their local distinctiveness in the face of these homogenising tendencies.

6. The New Rules of Urban Competitiveness

The world is changing and nowhere more so than in cities, where new technologies, business models, lifestyles and attitudes are combining to rewrite the rulebook on what distinguishes success from mediocrity. Once regarded as being ephemeral, attractiveness and drawing power are now key determinants in placing cities in a new hierarchy of urban competitiveness

What is urban competitiveness?

Successful national economies in the twenty-first century are increasingly measured by their capacity to generate wealth through innovation, and to attract labour and capital to support the knowledge economy. Free trade, global markets, and high technology define an international context for local economic growth and development. In spite of this, quality of local places has never been more important to a country's economic future.

Cities are the incubators of innovation and magnets for skilled immigrants from around the globe. Competition for labour and capital is worldwide, pushing cities to compete with each other on a global scale. The ability of nations to be more competitive, innovative, and productive is increasingly dependent on the success of their cities.

How Cities Compete

The notion of competitiveness has been widely discussed and debated during the past several decades. Definitions vary according to context. In its most classical sense, "competition" as an economic concept is drawn from the theory of the firm to explain business behaviour, ie the ability to produce the right goods, services and experiences of the right quantity and quality at the right price at the right time. Competition among cities, however, is a concept not universally accepted by economists, with "Businesses compete; cities do not" being an apt summary of the traditionalist view, represented best by Paul Krugman².

Many other economists however have come to accept and even advocate the view that cities and city regions can be agents of competition. One city can do better than another in terms of economic performance. Some would go further, arguing that in the 21st century, more emphasis should be placed on fostering

² Krugman, P (1996) Making Sense of the Competitiveness Debate. Oxford Review of Economic Policy, 12, 17-25

competitive urban economies than national economies. Twin forces of trade liberalization and enhanced technology have combined to make cities more relevant as economic competitors. Experts like Michael Porter³ bridge the gap between the two schools of thought. Porter has established a paradigm known as the "*diamond of determinants of competitive advantage*," which rests on four key points:

1. Firm strategy, structure, and rivalry
2. Demand conditions
3. Factor conditions
4. Related and supporting industries.

While Porter clearly views the firm as central to his model of competition, he also sees an important role for cities and regions, noting the bases for advantage are intensely local, including the process of creating skills and nurturing innovation. Such things as the quantity and quality of specialized skills, infrastructure and technology, and the presence of clusters vary markedly across regions. In practice, the idea that cities compete has taken root in the political agenda. Whether looking at the United States, the United Kingdom, the European Union, Australia, or Canada, one can find evidence of a growing interest in "how cities are doing." Within Europe, associations such as EuroCities have emerged to champion the urban competitiveness agenda. Within the UK, significant resources are devoted to Urban Regeneration and Urban Renaissance to lift British cities to more competitive global positions.

The hallmarks of the 21st century economy are: innovation, knowledge and technology transfer, and a skilled global workforce. Knowledge rivals natural resources and labour efficiency as the source of economic growth and wealth creation. Most experts agree that successful competition today rests not only on strong national macro-economic policies but also on regional and local strategies which foster innovation. Innovation is central to economic growth because it is the basis for increasing productivity. In the long term, an advanced economy like the UK cannot compete and raise the standard of living by simply lowering costs or increasing inputs. The only way to compete in the long term is to find new and better ways to produce new products in response to rapidly shifting market trends, or to develop new processes.

Innovation and Clusters

Porter has called regional economies the building blocks of US

³ Porter, M (2000) Location, Competition and Economic Development: local clusters in a global economy. *Economic Development Quarterly*, 14, 1, 15-34

competitiveness, suggesting that the nation's ability to produce high-value products and services depends on the creation and strengthening of regional clusters of industries that become hubs of innovation. He has pioneered the concept of cluster development—a concept which has been widely accepted around the world as the basis for local and regional economic development strategies. Simply put, clusters are inter-related industries in which the region specializes. Porter has found, through the Harvard Business School's Clusters of Innovation Initiative, that strong and competitive clusters are a critical component of a good business environment and are the driving force behind regional innovation and rising productivity. His work further supports opportunities for clusters to flourish in regions of different sizes. Michael Porter's ideas have taken root in the UK, as they have around the world. Local cluster development strategies have proliferated, particularly within the Regional Development Agencies.

Characteristics of a Competitive City

With growing support for the concept of a "competitive city," it is no surprise that various economists and urban experts have sought to deconstruct its elements. In a recent report, *Cities for Citizens*, the OECD defines the characteristics of an "entrepreneurial city,"⁴ which tends to have more rather than less of:

- **Economic diversity** in the manufacturing and services sectors
- A supply of **skilled human capital**. The successful cities and regions will be those that have the people who can operate effectively in the knowledge-and information based industries
- The right **institutional networks**—a range of links between higher education, research institutions, private industry and government
- The right **environment**. Cities are for living in as well as working in. This means the right physical, social, and cultural environment. Economic prosperity cannot be sustained on a sea of vast inequality
- Good **communications**. Partly this means physical communications—roads, airports, railroad links, electronic communications. But communications is also cultural, a question of attitude. This underlines the importance of international networking
- The **institutional capacity** to mobilize public, private and community resources in the long term to deliver agreed economic and social development strategies.

⁴ OECD, *Cities for Citizens*, December 2001, p. 62

Others prefer to cast the definition of a successful city within the framework of public policy. What are the elements of a strong, globally competitive urban economy that can be shaped by public policy decisions? The Canada West Foundation describes five broad areas which, at least in part, may be malleable through public policy. They mesh nicely with the OECD list:

- **Economic diversification:** many cities are working to build upon recognized industrial strengths and develop a concentration of financial services, high-tech industries, and research and development
- **Large, skilled work force:** attracting skilled workers from other jurisdictions is key, as is the opportunity for advanced education
- **Competitive business environment:** taxes and the regulatory environment, civic activism, public attitudes affect a city's competitiveness
- **Research and innovation:** the presence of a major university or research centre is key to developing local talent, fostering innovation, and creating spin-offs
- **Urban liveability:** quality of life has a great impact on a city's competitiveness and can be shaped by policy decisions on urban growth, public safety and tolerance, and availability of services and amenities.

Urban specialist Peter Kresl⁵ has created a framework to describe the determinants, characteristics, and indicators of (urban) competitiveness. Perhaps the most interesting contribution is Kresl's list of determinants, ie those elements which can be used to explain the concept of urban competitiveness itself as well as to assess the relative degree of competitiveness of an individual city. Quantitative (economic) and qualitative (strategic) factors are used to calculate urban competitiveness.

Economic determinants comprise:

- the factors of production infrastructure location economic structure amenities. Strategic determinants include:
- governmental effectiveness urban strategy public-private sector cooperation institutional flexibility. Viewed in the context of the OECD "entrepreneurial city," Kresl's determinants appear well placed as predictors of a successful city.

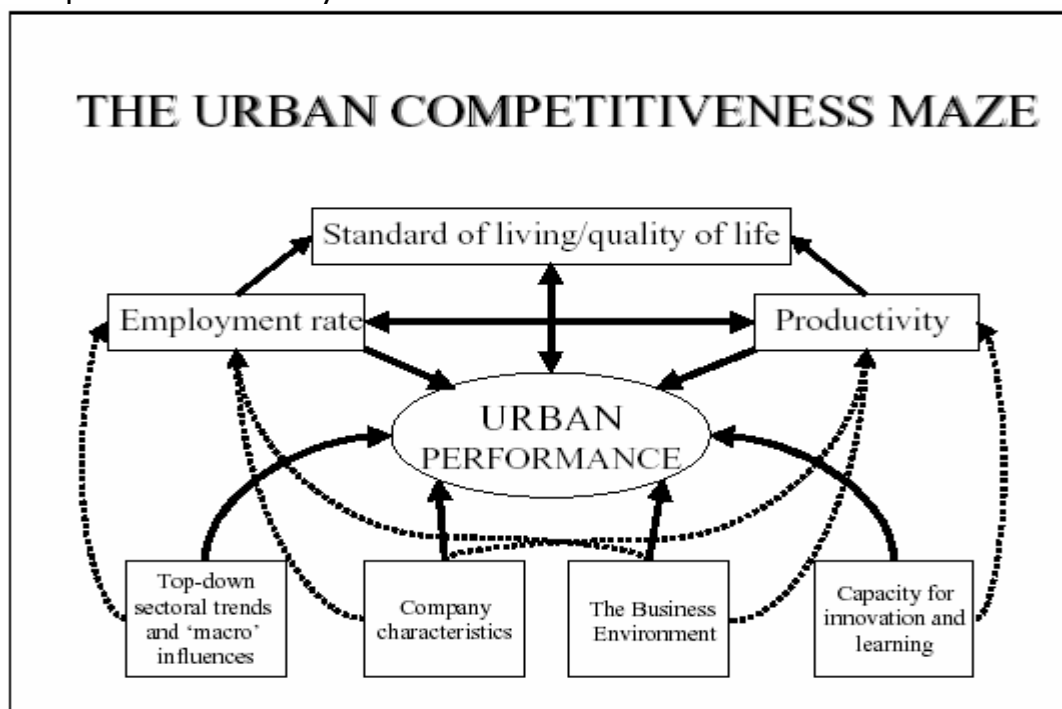
⁵ Karl Peter Kresl. Competitiveness in the Urban Economy: The Experience of 24 Large US Metropolitan Areas. 1999

From Comparative to Competitive Advantage

Ian Begg⁶, meanwhile explains the changing urban landscape with reference to the distinction between comparative and competitive advantage:

...urban hierarchies are shifting radically, with the result that cities which might have been comfortable with an allotted role (whether based on central places or some other tidy structure) now have to confront a more precarious and uncertain development path. Where there is competition for investment and income, absolute rather than comparative advantage becomes the watchword.⁷

He also goes on to propose a model (see below) in which complex inter-relationships the different factors or characteristics of urban competitiveness may be understood.



The importance of 'investability' and urban attractiveness

Based upon this now widespread understanding of urban competitiveness, there have been attempts to describe how the process of competition is played out. One of the most useful of these is *Investability*⁸ or 'the conditions conducive to increasing the rate of investment in a city'.

⁷ Begg, I (1999) Cities and Competitiveness. South Bank University. See also Begg, I (2002) Urban Competitiveness: Policies for Dynamic Cities. The Policy Press

⁸ Begg, I (2001) 'Investability': the key to competitive cities? South Bank University

Begg has adapted investability from an earlier notion of 'employability', ie that the best way to tackle unemployment is not by putting subsidy into the creation of jobs but through equipping individuals to compete more effectively in the job market. Applied to cities this translates as shifting the emphasis from dealing less with the specific needs of, or opportunities presented by particular investors and injecting subsidy accordingly. Rather, it is concerned with understanding how a locality can be made more attractive to *potential* investors, as well as dealing with those aspects of the physical or business environment which most detract from the place's appeal.

So far as firms and potential investors are concerned, a more attractive location is one which facilitates productivity gains, with the source of those gains being largely external to the firm making the investment. This key linkage between competitiveness and attractiveness is not only an important step forward in our understanding of competitiveness but of its relationship with factors such as culture.

Under more conventional economic development approaches, competition for investment becomes a zero-sum game in which localities try to incentivise investors, and undercut rivals, to attract footloose capital. In this way, one city's gain is another city's loss, whilst under the notion of investability, the aggregate effect of all cities improving their attractiveness should stimulate an overall improved climate of investment. This also assumes that there is no such thing as a finite amount of investment seeking a home, but that greater attractiveness can continue to drive up the rate of investment in relation to GDP.

We go on later to look in detail at the relationship between cultural activity and investment but it is worth pointing out here Begg's observation that:

Cultural attributes are increasingly being seen as important 'assets' which not only contribute to the ability of an area – this is especially true of cities – to pull in tourists and day trippers, but also to the broader appeal of the locality for residents and/or employees.⁹

A limitation in the notion of investability is that, whilst it highlights the importance of attractiveness to competitive cities, it implies that financial capital investment is the only asset that cities need to attract to themselves. We will argue below that increasingly, the

⁹ *op cit* p13

asset which successful cities need to attract more than any other is human capital, or talent.

A new concept: 'Drawing Power' - the dynamics of attraction, retention and leakage

Whilst acknowledging the importance of the contributions outlined above, we feel they do not provide an adequate explanation of the complex inter-relationship of urban competitiveness with culture. We introduce, and outline for the first time, a new concept which we have dubbed *Drawing Power*.

A Summary

Drawing power assesses the dynamics of attraction, retention and leakage as well as its reverse what deters or even repels people from cities. It is a multi-dimensional concept which seeks to combine an assessment of both hard and soft factors giving more equal weighting to both as well as assessing factors and assets in economic, social, cultural and environmental terms. Drawing power seeks to combine internal and external factors and perceptions in order to assess how wealth creation and social cohesion can be addressed simultaneously. Its assessment criteria are: Critical mass, identity and distinctiveness, innovative capacity, diversity, accessibility, security, linkage and synergy, competitiveness, organizational capacity and leadership. Each of these in turn are judged holistically. For example the diversity of the economic structure to increase local resilience; the means by which the diversity in the population is harnessed both economically and socially, the diversity of the urban setting to create richer experiences and the cultural diversity as an expression of cosmopolitanism. A set of indicators to measure the criteria are provided in an appendix.

The concept of drawing power broadens out from merely assessing competitiveness in more narrow economic terms to include some of the contributing factors that encourage outsiders to come in or existing populations to stay ranging from the quality of schools, the quality of housing, crime rates, cultural provision, or social cohesion. This highlights dilemmas for cultural policy makers which occur when issues of competitiveness force the city to look outwards at the external inward investor or to attract tourists. These include: Focusing on the needs of residents or outsiders, emphasizing development in the centre or inner city fringe or outer suburbs, or over concentrating cultural facilities within the city

core as well as whether to emphasise flagship projects or community development or entrepreneurial projects.

Economic drawing power looks at the economic performance of the city measured for example in terms of levels of employment, levels of R&D, new business start-ups, disposable income and standards of living, annual numbers of tourists and visitors, retail performance, property and land values.

Social drawing power assesses levels of social interaction and social activity as well as the nature of social relations. A socially vital and viable city would be characterised by low levels of deprivation, strong social cohesion, good communications and mobility between different social strata, civic pride and community spirit, tolerance of different lifestyles, harmonious race relations, and a vibrant civil society

Environmental drawing power involves ecological sustainability in relation to variables such as air and noise pollution, production and disposal of waste, traffic congestion, green spaces and natural beauty.

Iconic drawing power focuses on architectural distinctiveness, the power of symbols associated with a city and the quality of the public realm.

Cultural drawing power focuses on the senses of distinctiveness and identity as well as the level of attractiveness of a city, the extent to which it forces its recognition and reputation through the information overload, how it projects a uniqueness that is not replicable as well as a city's capacity to be seen as a central hub for particular activities.

A city's overall drawing power needs to take into account how the different spatial areas operate as an interconnected competitive system, including the city centre; the inner city areas surrounding it; the residential suburbs; the outer residential and industrial areas; and edge of town.

There are a number of criteria against which Drawing Power can be assessed:

Critical mass

Critical mass is concerned with the achievement of appropriate thresholds which allow activity to take off, reinforce itself and cluster. In economic terms critical mass concerns the development and agglomeration of sufficient activities to ensure that economies of scale, inter-firm cooperation and synergies can be obtained.

Critical mass also represents the thresholds beyond which the organization of particular economic initiatives such as trade fairs, foreign trade missions, promotion and inward investment campaigns become possible. Socially critical mass could be identified as the density of social interactions. Physically critical mass assesses the sheer mass say of historic buildings sufficient to form an attractive and marketable heritage quarter. Critical mass culturally is the opportunity of experiencing different types of facilities such as going in the course of the same evening to a French bistro, a Shakespeare play, a late night cabaret in a wine bar and then enjoying a stroll through a pleasant historic area.

Identity and distinctiveness

Globalization and standardized building techniques are some one of the key forces producing cities that are increasingly homogenous, bland and monocultural. At the same time competition locally, nationally and internationally is forcing cities to highlight what is unique or special about what they offer. Beyond a certain level in cities, once basic services, shops and facilities have been provided, these differences are ways of adding value to what a city is about and thus help increase its drawing power.

Economically a city can increase its attractiveness and viability by providing products and services that are not available elsewhere. Beyond a basic threshold of nationally reputable shop chains, such as (in the UK) Marks and Spencer's or Debenhams, city need to distinguish themselves from competing centres.

A strong identity has positive social impacts in that it creates the preconditions for establishing civic pride, community spirit and as well as providing the motivation, ambition and will to move forward. Cities are made up of a range of identities, sometimes rooted in different parts of the city, that express themselves in different lifestyles and thus the tolerance is key in harnessing identities so they contribute to overall viability and do not cause fragmentation.

The establishment of cultural identity can mark out one place from the next. The range of symbols of a city can cover food, architecture, songs, manufacturing products, the urban landscape or any other aspect of the city's traditions. Equally important though is the creation of new traditions and images so that the city's image does not get frozen in the past.

Historic cities in particular have in-built advantages, by having textured layers of history to work with in projecting their uniqueness and specialness. This is more difficult for newer cities, although some such as Milton Keynes have made imaginative advances.

Identity and distinctiveness are important for creativity and talent, however identity and distinctiveness can degenerate into parochialism, introversion, chauvinism and antagonism to the outside world if it is not allied to cosmopolitanism and so may destroy the foundations of a creative milieu.

Innovative capacity

The presence of an innovative, creative milieu is a key ingredient in the establishment of an economically viable city. The ebbs and flow of urban development require policy-makers at times to look at problems afresh without necessarily repeating what has gone on before. Rather like an R & D department of a firm, a city in order to generate drawing power has to be able to act creatively. This requires sharing of ideas between entrepreneurs, public policy-makers, academics, artists and other creative thinkers. Therefore what is the networking capacity in a city?

Broadening the base of inputs into decision-making can generate social innovativeness by creating opportunities through fora or meeting opportunities to allow positive critical debate to take place. Learning theory notes that solving your own problems, rather than being told how to, increases achievement. This implies that the urban empowerment agenda should increasingly be forefronted.

Within cultural innovation a city needs to ask to what extent are there policies to assist and encourage local producers to carry out experimental and pioneering projects? Are there projects that explore the relationship between the city's history and heritage and its possible futures? Is the artistic community involved in the process through which the city presents itself to the outside world? Are there linkages between innovations introduced by people working in the media sector and advanced research in media technologies, such as image and music recording as well as other industries? Are there innovative schemes in which cultural workers use their skills in environments such as prisons, hospitals and hostels for homeless people in order to reduce social stress?

Are there environmental enhancement schemes that pre-figure the kind of physical setting that the city centre or particular neighbourhoods may aspire to? Are there schemes involving collaboration between visual artists/designers and planners/engineers? Are there innovative greening, recycling and transport initiatives, such as the creation of cycle lanes and car sharing?

Diversity

A diverse economic base can encourage resilience. A city which is, say, over-dependent on tourism may rely excessively on variables over which there is no local control such as airfare prices and currency values. A diverse social base implies a variegated and lively civil society and voluntary sector; comprising self-confident organizations likely to be more resilient and productive in times of economic and social stress. So creating competent confident citizens. It also involves taking on board multiculturalism and interculturalism as positive forces in order to engender new ideas and fresh approaches. Cultural diversity implies the encouragement of production, consumption and distribution opportunities for different cultural forms and the encouragement of a wide and rich definition of what local culture is about.

Diversity provides a rich menu of possibilities, which can trigger and stimulate a myriad set of combinations leading to original strategic responses. Without diversity the range of options is more limited. It is therefore more difficult to adapt and to resist the temptation of uncritically imitating other places. Diversity in turn attracts outsiders.

Diversity should also be etched into the physical fabric, whether this be layers of history or new ways of thinking through planning and design from an intercultural perspective as Birmingham is doing with its publication 'Birmingham and its cosmopolitan futures'. Equally imaginative public art strategies can be significant in creating projects that resonate with a local culture.

Accessibility

The concept of accessibility concerns convenience and ladders of opportunity. Economic accessibility is about the opportunity to contribute to economic life, whether through the availability of premises, advisory services, technology, information sources, venture capital or training. If economic access is poor then the capacity of the city to renew itself economically is undermined. Social accessibility involves the possibility of taking part in city life. Key questions for cultural accessibility include the following: Are the different cultural identities of the communities that make up the city legitimized, respected and celebrated? Are cultural venues throughout the city accessible physically, psychologically and in terms of signposting? Physical accessibility concerns the level of connectedness such as airports and their variety of locations reached, internal communications such as the quality of roads and public transport by train, metro and bus as well as their frequencies.

Security

Security is concerned with continuity, stability, comfort, and lack of threat. Economically it concerns the stability of the local economic base, including both firms and employment. It also concerns the depth of commitment of local firms to the city. Socially, security means the lack of threat to people and property, a sense of trust and bonding with one's fellow citizens and the availability, support and solidarity from social networks in the city. A well lit, clean, well-maintained, high quality, sensitively but effectively policed, legible and well-used environment fosters a sense of security, while blindspots, dirty streets, loud noise, indefensible space, congestion and an environment unfriendly to pedestrians undermines security. Culturally, security involves acceptance, in an open and non-chauvinistic way, of the different cultural identities of a place, see the discussion of Richard Florida. This security is strengthened if there is the possibility of freely expressing oneself culturally by having access to venues, funding and information.

Linkage & Synergy

The criterion of linkage has two distinct but related aspects. The first involves physical relations within the city and the outside world and the second intellectual and networking between the city and the outside world.

A good degree of intra-urban linkage in the local economy is desirable. More importantly though being locally rooted and internationally oriented is a base condition for creating drawing power, and a well-functioning intra-regional network is an important pre-condition for successful international urban networking. The more connected and linked a city is the greater the commitment of firms to the local economy is likely to be. Enhancing the connectedness of city firms to it reduces the risk of disinvestment by companies.

A city also benefits from social linkage. Cities as a whole are made up of neighbourhoods with unique socio-demographic characteristics. Reducing tensions and misunderstanding between different parts of the city is key and within this the city centre can play a central role by acting as a communications hub and as a location for services of relevance to the city as a whole.

The cultural infrastructure of a city should not only be confined to its city centre, although the city centre plays a crucial role in being the showcase for what is best in a city. It also can act as a service centre to market and distribute products, performances and artefacts and where celebrations concerning the whole of the city take place. Creating clusters of creative activity within a city increases its cultural depth and attractiveness.

Physical linkage highlights the importance of the physical relationships between the city centre and its sub-centres. Are different areas of the city cut off from each other by ringroads and other physical barriers which inhibit interflow, interaction and exchange? More importantly how is the city connected to the outside world.

Openness to the outside is an important precondition for the creative city in terms of achieving a good flow of strategic information and ideas. Such open dealings with the outside world need to be balanced by a strong sense of the city's own self worth and be conducted from a position of strength (of which a good intra-regional network may be an important component) in order to prevent the risk of cultural and economic colonization by outside actors.

Competitiveness

Competitiveness describes the existing and potential performance and quality of the city in relation to the range of economic, social, environmental and cultural variables captured by the criteria described earlier. Economically competitiveness concerns the profitability, level of investment, technological innovation and access to venture capital of firms operating within the city. Equally important are the quality and skills of the workforce and how well the city is networked both in terms of contacts with influential people and communications systems. It also concerns the rank and status of local firms and their products and services locally, nationally and internationally. Competitiveness in social terms concerns the quality of the relationships between social groups (including race relations) as well as the achievements of the city's voluntary sector. Environmentally, competitiveness has to do with the city's attractiveness, uniqueness and its location as well as the extent with which it tenaciously pursues an environmental sustainability agenda. Culturally, competitiveness concerns the rank and status of educational and cultural institutions and activities, and particularly how they are seen by peer groups.

Organizational capacity and leadership

An overarching skill required is to harness vitality and achieve competitive viability through the ability of those responsible for city development - be they actors in the economic, social, cultural or environmental fields - to develop the capacity to implement ideas and initiatives and to think strategically. Organizational capacity is thus a central ingredient for establishing for achieving competitiveness and increasing drawing power. It involves the capacity to lead, to be technically competent and up to date, to identify strategic issues and priorities, to take a long-term view, to

listen to and consult with others, to command loyalty and trust and to inspire and enthuse other decision-makers, to create a supportive team with a strong corporate identity, to create a consensus on key issues by establishing a shared vision, to raise confidence, to find positive uses of conflict, to overcome sectional interests, to take responsibility, to make difficult decisions rapidly and efficiently and stick to an agreed course of action in the face of opposition and difficulties.

Without solid organizational capacity is impossible to make the most of a city's resources. Organizational capacity acts like a multiplier of resources that have been identified and maximized through creative thinking and both hard and soft support infrastructures.

Having proposed a range of criteria to assess drawing power the next task is to see to what extent these criteria can be transformed into useful indicators that can be applicable to cities of different sizes and with geographically different locations, histories and economic conditions. In order to do this it is important to consider some methodological issues. They will only be headlined and include: availability of data sources and here proxy indicators are useful, see below; comparability; proportion and extent of attributes; weighting of factors; the specificity of local context.

We have drawn up a rich and comprehensive set of proposed Indicators of Drawing Power, which can be seen in the Appendix.¹⁰

¹⁰ A variation of the ideas in Drawing Power was produced by Comedia in 1994 under the title 'Indicators for Vitality & Viability' by Franco Bianchini and Charles Landry

7. The impacts of culture on urban investability and drawing power

Hard & soft factors and their influence on location decision-making

Inward investment is defined as an investment involving management control of a resident entity in one economy by an enterprise from another economy (this could be from an other region or country etc.). It involves a long-term relationship reflecting the investor's lasting interest in the entity. The main push factors for inward investment are:

- globalisation;
- market liberalisation;
- technology

All businesses are looking for the most suitable, cost competitive location globally, taking in to consideration:

- market access;
- cost efficiencies (cost reduction);
- access to technology and innovation (skilled people).

Companies typically invest in new locations to meet a combination of objectives – to lower production costs, to achieve improved labour quality and availability, to improve their access to existing and new markets etc.

Essentially, these are the “hard” business factors that relate to the company's attainment of business efficiencies.

The Foreign Direct Investment Survey undertaken in January 2002 by the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group identifies that the most important objective for inward investment is improved market access, followed by reducing operating costs.

The Top 20 Critical Location Factors highlighted by companies interviewed in the survey are:

Location Factor	% Cited as Very Influential
Access to customers	77
Stable social and political environment	64
Ease of doing business	54
Reliability/quality of infrastructure and utilities	50
Ability to hire technical professionals	39
Ability to hire management staff	38
Level of corruption	36
Cost of labour	33
Crime and safety	33
Ability to hire skilled labourers	32
National taxes	29
Cost of utilities	28
Roads	26
Access to raw materials	24
Availability/quality of universities and technical training	24
Available serviced land	24
Local taxes	23
Access to suppliers	23
Labour relations and unionisation	23
Air services	23

Source: MIGA, 2002

The above factors mostly all relate to the “hard” factors which will impact upon the company’s bottom line.

The location of inward investment is driven by “hard” factors and our consultations with both investment promotion agencies (IPAs) and intermediaries support this. For example:

“Our assessment of locations for our clients take 11 different factors in to consideration, namely:

- *economic profile;*
- *market prospects;*
- *taxes;*
- *regulatory framework;*
- *labour climate;*
- *suppliers & know-how;*
- *utilities;*
- *incentives;*
- *quality of life;*
- *logistics;*
- *sites.*

Almost all are hard business factors”

- Rene Buck, Buck Consultants International

In today’s market, companies are looking for balances between costs, quality and flexibility – the pressure on margins against the attraction of talent (quality workers). Companies are seeking the best conditions for talent against the lowest costs with maximum flexibility.

“Soft” factors are people-related factors such as quality of life factors, the capacity for face to face interaction, networking strengths, governance capacity, cultural depth and creative milieu. They relate to the search for and accumulation of talent. In today’s knowledge economy human capital is a key consideration and the more important talent attractiveness and human capital become the more significant soft factors are.

In the “old economy”(industrial era), the main considerations were cost and scale. Firms selected locations that provided low costs and the necessary physical infrastructure that supported production efficiencies of scale. In the “new economy”, which is knowledge-based, the production cost dimension of competitiveness is still important, but there are additional considerations – the quality dimension and the innovative dimension. These are secured through people with certain attitudes.

The perceived differences between location considerations for the old and new economies can be illustrated as follows:

In the old economy people believed:	In the new economy people believe:
Being a cheap place to do business was the key Attracting companies was the key A high-quality physical environment was a luxury and stood in the way of attracting cost-conscious businesses Regions won because they held a fixed competitive advantage in some resource or skill Economic development was government-led	Being a place rich in ideas and talent is the key Attracting educated people is key Physical and cultural amenities are key in attracting knowledge workers Regions prosper if organisations and individuals have the ability to learn and adapt Bold partnerships between business and government are necessary

Source: Metropolitan New Economy Index, Progressive Policy Institute, 2001

For inward investment projects where access to high skilled people is critical, the “soft” considerations have a higher importance in the decision-making process. This relates primarily to functions such as:

- headquarters;
- research and development;
- shared service centres.

This does not relate to cost-based facilities, such as:

- manufacturing plants;
- distribution centres;
- back office operations.

Various IPAs have highlighted this fact:

"Knowledge-orientated companies want to attract and retain quality staff and therefore seek good lifestyle locations"

- Keith Rhodes, International Investment, Government of Victoria

"Quality of life is considered when it comes to the human capital you need for your company at the new location. Managers and skilled employees request a certain standard of living. This is true especially in the field of industry we are looking at, the advanced service sector, high tech industry and R&D"

- Burkhard Weiler, Vienna Business Agency

"Culture and sport provision may play a role as part of the general quality of life, which is an important location factor for European HQs and shared service centres"

- Sanna Hoek, Netherlands Foreign Investment Agency

Location branding – demonstrating a high quality of place

The provision of cultural and sports facilities at a location is being used as a branding device, trying to signify that the location has positive attributes for business – a high quality of place. It helps to demonstrate to businesses that quality of life is highly prioritised in the overall development of the location.

With the increasing homogenisation of locations across the globe, IPAs are trying to differentiate their locational offer, and the provision of cultural and sports facilities are being used as a tool for location branding.

The promotion of high impact status buildings is used to help brand particular locations. These high status facilities transfer their brand values and aspirations to the surrounding area and population. Iconic buildings with pulling power include the Guggenheim in Bilbao and Tate Modern in London.

Examples of locations using cultural and sports facilities to brand themselves include the following:

- *Sports Town*

Atlanta in the US promotes its sports credentials. Not only does Atlanta have professional teams in all the major sports, since 1985 it has been host to over 50 major sporting events, including Super Bowls XXVIII and XXXIV, the 1996 Olympics, and the 2002 NCAA Final Four.

"Even if you don't know the difference between a baseball and a hockey puck, your customers or prospective employees might. Communities with professional sports teams at least give you a possible attraction to top talent"

- Gene DePrez, Pricewaterhouse Coopers

Atlanta usually secures a high position on the rankings of US cities for business. While Hartsfield Atlanta International Airport is a major international hub airport, and represents a key "hard factor" for the location, the city has secured a huge marketing boost from the Olympics – it is now on the radar screen of most potential investors in the US. However, whilst Atlanta's name recognition is strong its negative handling of the Olympics compared to Barcelona or Sydney gave it negative publicity in a number of key audiences.

○ *More Than Oil*

Stavanger is Norway's fourth-largest city and its oil capital. While it has a fairly small population of 110,000 people, it has the youngest demographic profile in Norway and includes citizens from over 90 countries. Aware that the oil and gas advantage has a limited time-span, the local council is promoting its development as culture city. It is developing a cultural sector to appeal to high-earning global workers.

"A vibrant cultural life is seen as the key to attract and keep the brainy jet set that is the lifeline for Stavanger's present and future economic development"

- Leif Johan Sevland, Mayor of Stavanger

Stavanger is seeking to become a European City of Culture and is planning to build a world-class concert hall for its renowned symphony orchestra. The city currently hosts the annual Stavanger International Festival of Literature and Freedom of Speech. Whether this can also create a lively street scene remains to be seen.

The best cities to locate a business in

The European Cities Monitor, produced by Cushman & Wakefield, Healey & Baker, reviews the relative popularity of leading cities based upon interviews with over 500 corporate chief executives.

City	Rank			Weighted Score
	1990 ¹¹	2001	2002	2002
London	1	1	1	0.95
Paris	2	2	2	0.68
Frankfurt	3	3	3	0.40
Brussels	4	4	4	0.31
Amsterdam	5	5	5	0.30
Barcelona	11	6	6	0.23
Madrid	17	8	7	0.19
Milan	9	11	8	0.18
Berlin	15	9	9	0.17
Zurich	7	7	10	0.17
Munich	12	10	11	0.17
Dublin	-	13	12	0.14
Dusseldorf	6	17	13	0.11
Stockholm	19	15	14	0.11
Geneva	8	12	15	0.10
Prague	23	21	16	0.09
Lisbon	16	16	17	0.09
Hamburg	14	18	18	0.09
Manchester	13	14	19	0.09
Lyon	18	20	20	0.08
Glasgow	10	19	21	0.06
Rome	-	25	22	0.06
Vienna	20	23	23	0.06
Copenhagen	-	24	24	0.06
Budapest	21	22	25	0.06
Warsaw	25	27	26	0.05
Helsinki	-	26	27	0.04
Athens	22	29	28	0.03
Oslo	-	28	29	0.03
Moscow	24	30	30	0.03

Source: European Cities Monitor, Cushman & Wakefield, Healey & Baker

London maintains its leading position while Madrid and Milan move up in the top 10. The small difference in scores of cities outside the top 6 means that slight changes in score can produce a movement of several places in the rankings. When asked to predict what the ranking would be in 2006, when they will enlarge the base to 40, Bilbao comes in at 32 from nowhere, Valencia at 31 and Seville at 33 – all have adopted the Bilbao strategy. Birmingham comes in at 36 and Rotterdam in at 40. Manchester goes down from 13 in 1990, 19 in 2002 and a predicted further fall to 27. Glasgow, which was 10 in 1990 and 21 in 2002, goes to 31.

¹¹ In 1990, only 25 cities were included in the study

Quality of life

There is a growing level of coverage in the local economic development and business location communities about the the increasing importance of quality of life factors in attracting (and retaining) inward investment.

A major review of 30 separate studies of factors which influence local economic development¹² identified 11 which were cited on a regular basis:

- Location
- Physical characteristics
- Infrastructure
- Human resources
- Finance and capital
- Knowledge and technology
- Industrial structure
- Quality of life
- Institutional capacity
- Business culture
- Community identity and image

It is notable that the factor cited most consistently (i.e. in 25 out of the 30) however, was quality of life, closely followed by human resources and infrastructure. However, whilst it was most frequently mentioned its weighting was lower.

Culture and sport are widely considered to be one of a series of factors which in turn contribute to perceptions of quality of life. There are, however, widely differing views over how significant they are.

An American study conducted by Paul Gottlieb found Recreational and particularly Cultural Amenities ranking highly in comparison to most 'soft' locational factors.

Factors influencing Business Location¹³	
AMENITY	AVERAGE RANK
Good Schools	2.11
Public Safety	3.89
Environmental Quality	4.22

¹² Wong, C (1998) *Determining Factors for Local Economic Development*. Regional Studies, 32.8 pp707-720

¹³ Gottlieb, P (1994) "Amenities as an economic development tool: is there enough evidence?" *Economic Development Quarterly*, August, p. 276.

Cultural Amenities	4.56
Proximity of Housing	4.89
Easy Commute	4.89
Cost of Housing	5.00
Recreational Amenities	5.22
Climate	5.89
Government Services	6.22
Cost of Living	6.67
CEO Preference	6.78

On the other hand, a more recent study by the Canadian Policy Research Network in the Quality of Life Indicators Project suggested very few people regarded cultural pursuits as an important factor in Quality of Life.

Percentage of Respondents Identifying Highest Priorities/Factors Contributing to Quality of Life

Factor ¹⁴	Priority (% of respondents)
Health care system	73
Education	62
Environment	59
Social programmes	58
Economy	35
Government	26
Legal/justice system	20
General values	19
Personal well-being	10
Work	9
Community and religion	9
Seniors and children	8
Families and friends	5
Information/media	5
Infrastructure/transit	5
Cultural pursuits	4
Diversity/multiculturalism	3
Quality of life in general	1

Source: CPRN, 2000

Certainly, what is clear is that quality of life is an extremely subjective factor and its definition and importance varies widely between companies and individuals. However, the divergence between the two studies above may be telling us something more significant. This may be that whilst culture is not what is conventionally seen as a 'hard' factor in inward investment, it is not a classic 'soft' factor either.

There is a real need to open out the debate, to move beyond hard and soft and begin to see culture, cities and competitiveness in a

¹⁴ Canadian Policy Research Networks (2000) One step closer to quality of life indicators. Ottawa, December 15.

fresh new light. The overall culture of a place in terms of its attitudes and attributes such as open mindedness or inventiveness, is clearly increasingly likely to be made a factor so distinguishing it from 'culture as amenity'. This also includes issues like language capacity especially given the UK's sad record. As noted in the clichéd phrase: 'I sell in English, but I buy in French'. An interesting exercise would be to find an inward investor in search of talent who has located to a place without an open culture and without cultural facilities. A valuable way in to this new thinking is the work of the American academic Richard Florida.

The New Geography of the Creative Economy

Prof Richard Florida of Carnegie Mellon University, is currently one of the most influential writers in the United States. His book *The Rise of the Creative Class*¹⁵ based on extensive research in 50 US cities, identifies a growing group of workers (scientists, engineers, designers, artists and musicians currently representing 30% of the workforce) in creative roles, whose presence will determine whether a place succeeds or languishes.

Cities are therefore locked in competition to attract, keep or grow their own creative classes and Florida reviews the factors which contribute to this. Good air connections, research capacity, venture capital investment, and clusters of producers are all well known in the widely copied "Silicon Somewhere" model. For Florida though, these alone are not enough, because the creative class are not simply economic units of production but people with a whole range of personal, social and cultural needs and desires which are at least as important to releasing their creative productivity as the old economic levers.

The cities which are succeeding in the new economy are also the most diverse, tolerant and bohemian places in America. Cities that are investing heavily in high technology futures but who are not also providing a broad mix of cultural experiences are going to fall behind in the longer term. And it is notable that it is not so much 'big ticket' venues such as sports stadia and concert halls that Florida regards as having drawing power so much as street level culture, a tolerant environment for minority cultures and lifestyle groups, and a strong control of environmental quality and

¹⁵ Florida, Richard (2002) *The Rise of the Creative Class: and how it's transforming work, leisure, community and everyday life*. Basic Books. www.creativeclass.com

congestion; The creative classes are mobile and if their city makes them uncomfortable they will find another one.

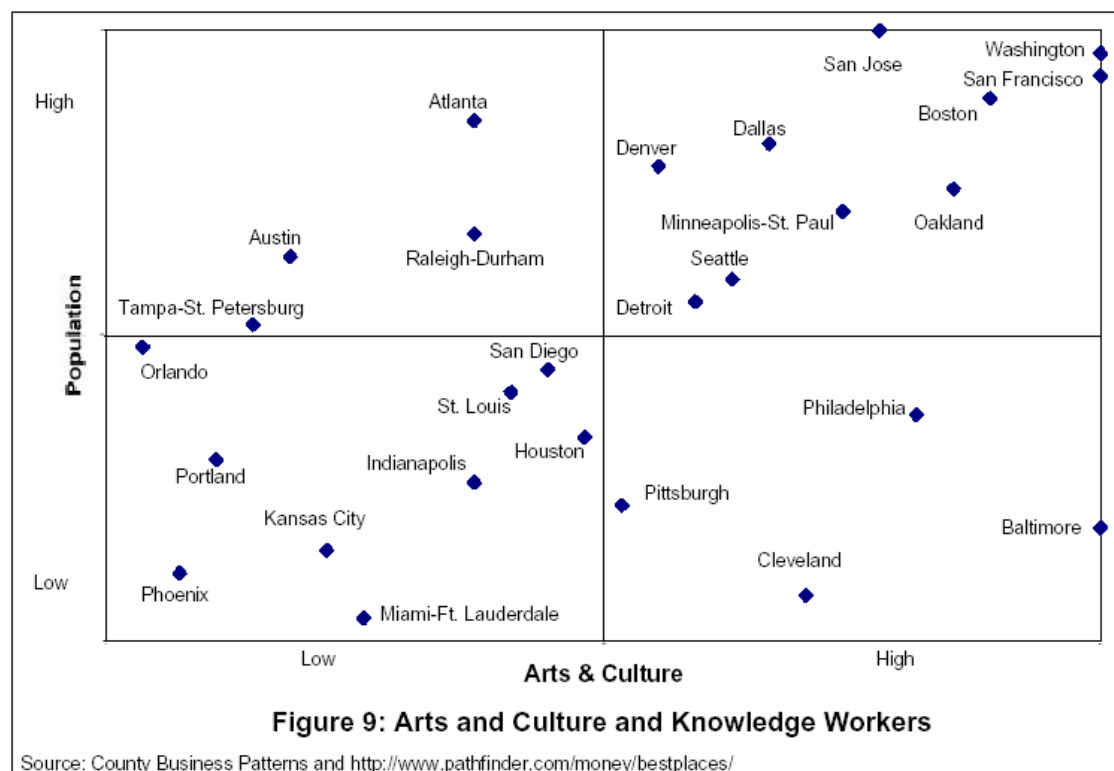
Florida considers a range of factors, including availability of leisure amenities, 'big ticket' cultural and sporting facilities, and assesses their correlation with cities with a high population of high technology companies and knowledge workers. He has also developed indices of 'coolness' and diversity, based respectively on the numbers 'nightlife amenities' and on the extent within the population of minority cultural and lifestyle groups. This results in city competitiveness league tables and a 'talent map' of the United States which has become the source of lively debate amongst both the inward investment community and city governments.

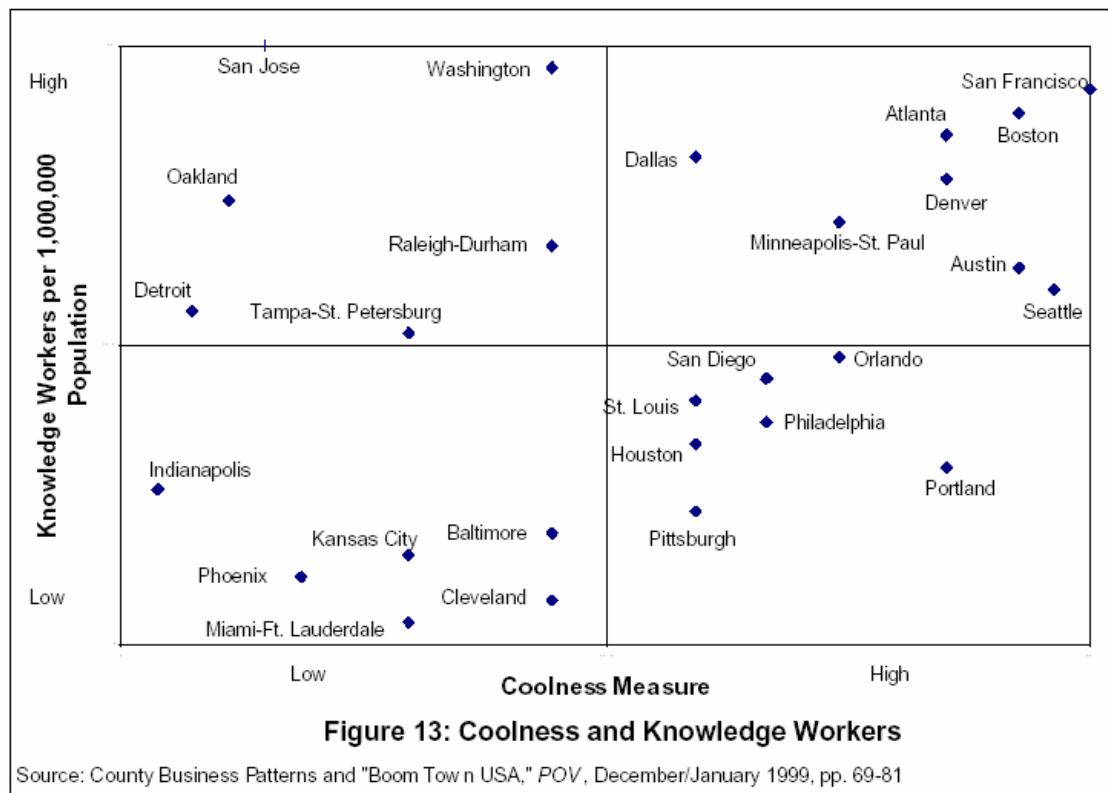
One sceptical response suggests:

"We have just analysed more than 3,000 new US office and industrial projects that were announced between June 2000 and July 20001. If there is a correlation between cultural and recreational outlets and attraction of new facilities, we sure can't find it"

Len Scaffidi, Plants Sites and Parks

The response of Florida to this is likely to be that Scaffidi is taking an 'old economy' approach to the issue, equating culture and recreation with golf courses, stadiums and prestige concert halls, when he should be asking about the availability of 'new age' sports in the day and a bohemian nightlife!





Whilst Florida's thesis remains inconclusive and contested, there is no doubt he has opened a new line of thinking which is already influencing investment decisions in the United States and will undoubtedly – albeit in modified form – make waves in the UK before long.

Conclusions

Our conclusions from our review of the influence of cultural and sports facilities on the location decision-making of inward investors are that:

- Culture/sports provision are "soft" location factors and "hard" cost-related factors still dominate the location decision process – even in today's knowledge economy;
- Such "soft" considerations are more important for particular types of inward investment project, where the attraction and retention of high-skilled people is important;
- The "soft" considerations are not a driver in location selection per se (except when the project is a creative industries

project) but can impact on the decision after the “hard” factors have been addressed;

- They could therefore be used as a tie-breaker where there is little to choose between several locations, and can therefore be termed “must-have” factors for locations aiming to attract and retain high skilled personnel (when quality of life/quality of place is an issue);
- There is the possibility, which was pointed out by some of our respondents, that with the emphasis on “hard” facts in a commercial environment, it is unlikely that a decision-maker is ever going to admit to being influenced by “soft” factors such as culture and sports provision’ as they cannot quantify this to decision makers and stakeholders;
- Culture and sports provision is used as a one signifier of critical mass and status by many locations, contributing to the branding activities of locations;
- We believe that while culture/sports provision is indexed by various ranking systems in the US, the gain for UK cities from such approaches is less clear cut. The most important use of such provision, we believe is in creating an engaging brand for a location.

8. Examples of the Impact of Culture in Cities

The aim of this section is to detail examples of how culture has contributed to city competitiveness in a variety of contexts. We have endeavoured to concentrate upon evidence based material and to exclude the mass of material that can be seen as advocacy based.

1 *The attraction of large scale international sporting events*

There is a wide variation in the effects that an international sporting event can have and within this the Olympics have a special position as they are the only truly global event.

The Olympics

There is a veritable cascade of studies on the impact of mega events, such as the Olympics, including pre-feasibility studies and post-event analyses. In general they show a positive balance, although less so for the Montreal and Atlanta Olympics.

Increasingly it is only a global mega event that can act as the driver to generate the will and ambition in a city to change complicated urban infrastructures that through the normal political process appears impossible to achieve especially in larger cities. New York which is bidding for the 2012 Olympics specifically stated that the necessary restructuring of the port areas will only be able to happen if they get the Olympics. The same is true for Athens 2004 where the upgrading of a variety of areas adjacent to the Athens waterfront, a new metro system, a new airport and rationalized road infrastructure and upgrading of cultural facilities could only have happened because of the Olympics. A particular legacy of Athens will be the creation of a centre for the Cultural Olympics being set in Delphi as they highlight that the original Olympics was in fact also an arts event with competitions for rhetoric, poetry and the like. It can be argued that the Commonwealth Games have a similar impact on their cities but to a much lesser extent.

An important legacy for cities tends to be in terms of rethinking project management of complex projects and the necessary organizational structures required. Whilst each Olympics has a dedicated body to implement the games that then closes after the event the models applied are usually carried forward in other guises.

The Olympic Games themselves have made a profit since 1972. It is the associated infrastructure investment that does not always receive an investment return. This return depends on what cities actually do. In Barcelona that investment and the media coverage has received a return that will lead to a profit as analysing one aspect – tourism – where the legacy effect has been a doubling of tourists. Montreal, Atlanta and Los Angeles by contrast have had less benefit. Sydney is turning the parklands around the Olympic facilities into a new part of the city and intends thereby to generate a long term income stream.

Tourism impact

One major study highlights the economic benefits of hosting the Olympics in Barcelona in 1992¹⁶. The data below shows almost a 100% increase in hotel capacity, number of tourists, number of overnight stays. Important data on the evolution of the tourist market is shown in Table 2:

Table 1

	1990	2001
Hotel Capacity (beds)	18.567	34.303
Number of Tourists	1,732,902	3,378,636
Number Overnights	3,795,522	7,969,496
Average Room Occupancy	71%	84%
Average Stay	2,84	3,17
Tourist by Origin		
Spain	51,2%	31,3%
Europe	32%	39,5%
Others (USA, Japan, Latin America)	16,8%	29,2%

Source: Turisme de Barcelona (Barcelona's Tourist Board)

At the same time average room occupancy has increased from 71% to 84%, average length of stay has increased from 2.84 nights to 3.17 and the percentage of overseas tourists has increased from 49% to 69%. Overall infrastructure investment prior to the Games was €5.7 billion compared to a budget of around €1 billion for the Olympic Committee to stage the games. However, Barcelona's use of the Games as a city marketing factor is generally regarded as a huge success.

This is evidenced by Barcelona's rise in Cushman and Wakefield Healey Bakers European Cities Monitor of the best European cities in which to locate a business, Barcelona was 11th in 1990 and 6th in 2002.

¹⁶ Sanahuja, R (2002): *Olympic City - The City Strategy 10 years after The Olympic Games in 1992*. Paper delivered to the International Conference on Sports Events and Economic Impact, Copenhagen, April 2002.

Media rights and coverage

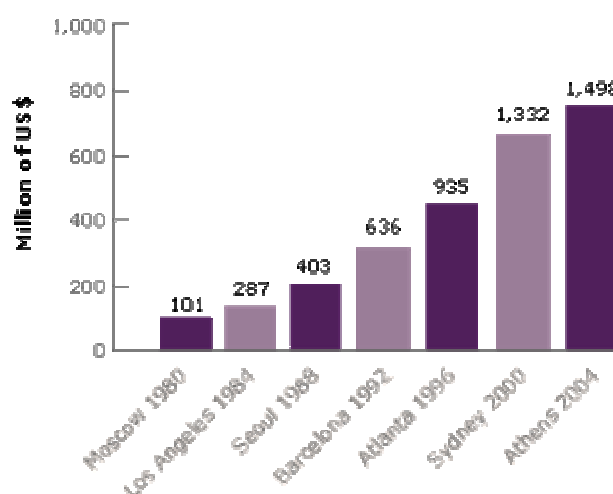
Television is the engine that has driven the growth of the Olympic Movement. Increases in broadcast revenue over the past two decades have provided the Olympic Movement and sport with an unprecedented financial base. TV rights fees continue to account for approximately 50 percent of Olympic revenue. This has allowed the International Olympic Committee (IOC) to make substantial contributions to the development of sport throughout the world. The IOC has provided direct support to Organising Committees for the Olympic Games (OCOGs), Olympic Solidarity (OS), The World Anti-Doping Agency (WADA) and International Federations.

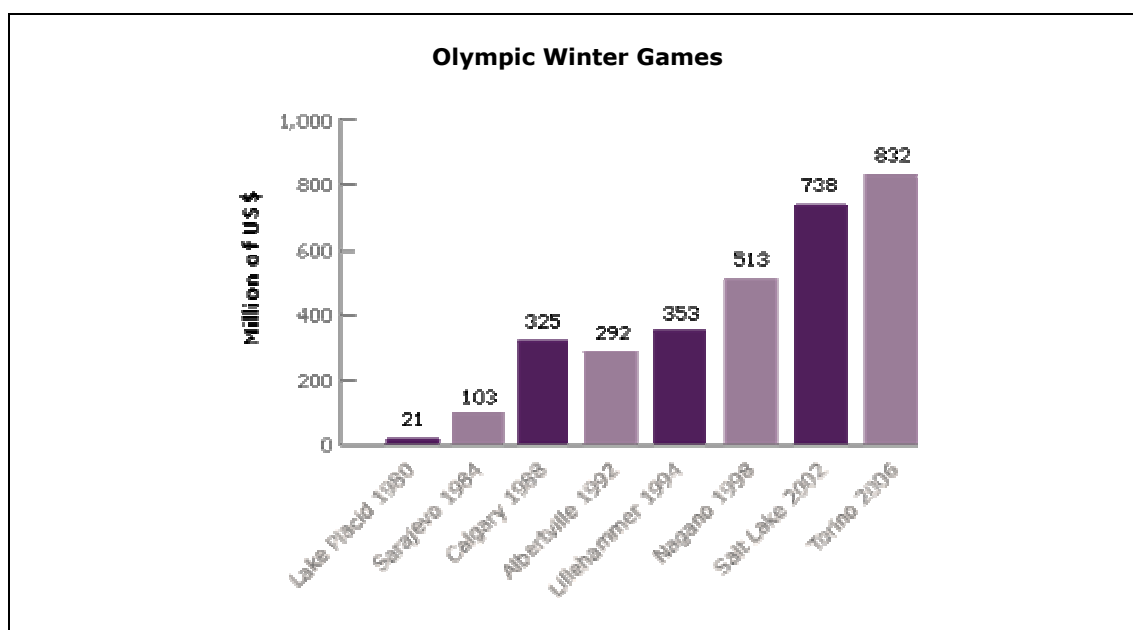
Broadcast revenue has increased from \$101 million for Moscow in 1980 to \$1498 million for Athens. Sydney 2000 attracted 3.7 billion viewers 600 million more than Atlanta 1996. It broadcast 3500 hours with 9 out of 10 people around the world with access to television watching the Games at some time. In Seoul in 1988 160 countries bought television coverage in Sydney 200 220 countries. 24000 media personnel were present at the Games. The internet is emerging as a new force with the climax reached when at 3.19pm on the 27th September 2000 1.2million a minute were recorded.

GLOBAL BROADCAST REVENUE

The Olympic Games have seen tremendous growth in broadcast coverage over the past 20 years. The Olympic Games have achieved this success without compromise, and despite continuous pressure to the fundamental principle that all television agreements be based on free-to-air broadcasting with viewing for all. The International Olympic Committee (IOC) has maintained this growth through direct negotiations, without having to incur any agency or third-party commissions. From 1984 until 2008, the IOC has concluded broadcast agreements worth more than US\$ 10 billion.

Olympic Summer Games

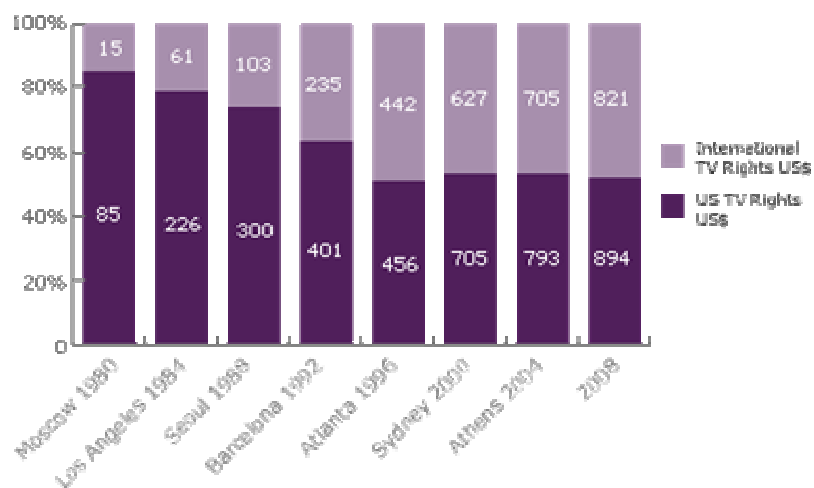




DIVERSIFICATION & GROWTH OF REVENUES

Olympic broadcast rights outside of the USA have grown dramatically, thereby reducing the Olympic Movement's dependency on USA broadcast revenue alone – the primary funding source in 1980

Evolution of Broadcast rights Fees as a percentage of Total Rights (Millions of US\$)



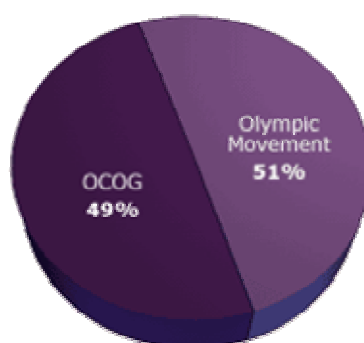
THE FUTURE OF OLYMPIC BROADCASTING

The long-term broadcast rights strategy developed by the IOC has secured TV rights until 2008. As a result, future organising committees (and even, to a certain extent, future bid cities) will be able to plan firm budgets much earlier, ensuring a more stable staging of the Olympic Games. Deals have been signed with broadcasters who have prior experience in televising the Games, thus ensuring the broadest coverage and best possible production quality for viewers.

The long-term deals have also allowed the IOC and the broadcast partners to reach agreements on promotional programming to support the Olympic Games and to promote the Olympic Movement (regular airing of Celebrate Humanity promotional spots)

Never before has this strategy been planned so far in advance and with such guarantees.

Broadcast Income Distribution



Further information is available on this¹⁷ and In an appendix we list the websites containing impact studies from Sydney, Barcelona,

¹⁷ The best starting point to assess the Olympics is to look at the **Centre d'Estudis Olímpics i de l'Esport** founded in 1989 within the context of the organisation of the Barcelona'92 Olympic Games, which provides links to a mass of economic impact studies of all the Olympics over the last twenty five years.

The Universitat Autònoma de Barcelona (UAB), faced with the challenge implicit in Barcelona's nomination as host city of the 25th Olympic Games, promoted the creation of the Centre d'Estudis Olímpics i de l'Esport in 1989 for the purposes of research, documentation, training and dissemination of information on Olympism and sport. Through this academic activity the Universitat Autònoma de Barcelona's wished to contribute to the enhancement of the values of peace and ideals of the Olympic Movement and sport.

Its objectives are:

- To collaborate with the international Olympic Movement and with the various national and international sports organizations in academic, scientific and cultural dissemination fields.
- To carry out research into Olympism and sport, particularly in the fields of humanities and social sciences.
- To organise university courses for professionals and postgraduate students in Olympism and sport.
- To compile documentation and make it available to students, visitors and specialists through an information and documentation service.
- To promote international academic activities and coordination of university centres.

Seoul and another 10 centres specializing in Olympic studies taken from the International Directory of Olympic Studies and their contact details as well as a series of impact studies, books and articles on arts and culture and the Olympics.

These cover a wide range of issues ranging from: Impact studies of the Olympics, how to bid for major events, urban planning dimensions of big event management, financing mega-events. A typical examples is: 'Olympic cities: Lessons learnt from mega event politics by Greg Andranovich, Matthew J Burbank and Charles H Heying'. A particular focus of many reports is the legacy aspects of putting on the Olympics not only in terms of increased tourism development and long term media recognition, but especially in terms of reshaping cities and how it is the mega event that enables civic infrastructure to be renewed. This goes well beyond the creation of dedicated facilities but includes also road infrastructures, sewage systems, housing (often initially used for athletes and then later sold as in Barcelona and Seoul), cultural facilities.

An interesting example of impact assessed was how the Seoul Olympics helped regenerate the local crafts industry turning it into a \$400 million business. This was a specific target of the organizers who helped develop local industries to meet demand for souvenirs. The international connections made through the games have helped sustain them over the longer term.

The Commonwealth Games

The Commonwealth Games although significant for the cities holding them have a lesser impact than the Olympics and some world championships with regard to visitors. This is because it only attracts the English speaking world so excluding Europe and the US the main countries that have high contingents of travelling supporters. Furthermore a large majority of the participating countries are poor and so have no means of travel with exceptions being the UK, Canada, Australia and New Zealand.

For example it has been suggested that only 150 UK visitors attended the Kuala Lumpur games and the large majority of these were in some way connected to UK Sport and Sports England. Kuala Lumpur has not done an economic impact study. In reality the games attracts a more local audience and some national audiences.

-
- To facilitate - by means of symposia, conferences and publications - the scientific and social dissemination of studies carried out.

Their website address is: [/www.blues.uab.es/olympic.studies/dir/et.html](http://www.blues.uab.es/olympic.studies/dir/et.html)

However, early evidence is suggesting that the recent Manchester Commonwealth Games may have transformed the way in which the event will be seen, not only as a magnet for visitors but in terms of a much wider range of economic and regeneration impacts on the host city and beyond.

What is clear, even to the casual observer is that the Manchester Games were well organised and well attended. This created a positive aura around the city of Manchester providing a countervailing trend to the general national mood, inspired by the Millennium Dome, Pickett's Lock and Wembley debacles, that large scale sporting and cultural activities spelled bad news. What is now also emerging is that this was only the tip of a much larger iceberg of long-term and deep-seated transformation.

Cambridge Policy Consultants¹⁸ have released findings on the economic and social impacts of the Games on the deprived area of east Manchester in which they were staged, the city as a whole and the wider environment. It is important to note from the outset – and particularly germane to the primary concern with this report with investment – that east Manchester represented one of the greatest urban regeneration challenges in western Europe – an area of the city largely abandoned by investors, and increasingly by citizens. The Commonwealth Games have provided the vehicle for both arresting the decline of and re-invigorating an area in which most other conventional forms of urban regeneration had already been tried.

The main investment and regeneration impacts of the Manchester Games are

- a total of 16,000 jobs that will last from a few months to over 10 years. This is the equivalent of 6,100 gross direct full-time equivalent (FTE) jobs for Manchester of which over a third are additional to the local economy.
- additional employment, for East Manchester amounting to some 2,320 jobs in total, for the City of Manchester 2,400 jobs in total, for the North West 1,920 jobs in total, and over 420 jobs in the whole of the UK
- the basis for £36m for business opportunities generated by trade missions and inward investment,
- encouragement for the regeneration of approximately 60ha of land and create 72,000m² of employment floorspace in East Manchester.
- A total of £477m of associated regeneration activity at 2002 prices, of which some £330m has been in East Manchester.

¹⁸ <http://www.manchester.gov.uk/corporate/games/impact.htm>

The net additional public sector investment of the Games venue construction and operation are some £277m at today's prices, with a further £200m of regeneration spend associated with the pre-Games and parallel activities.

- the development of Sportcity which will deliver £191m in additional investment, creating a concentration of sports facilities of international standard to which local people have access
- commercial developments in East Manchester including a regional retail centre, a four star hotel, offices and new housing developments supporting some 3,500 jobs
- estimates that through trade development and supply chain initiatives approximately 250 companies have realised an additional increase of £27m in their turnover, as a result of the Games
- tourism spend from Games participants and visitors which is estimated at £22m for Manchester.

One concluding point of particular significance is that an estimated £9 million of inward investment will be attributable to the raised profile of the city over the next two to three years and that up to 30 million people may have been encouraged to consider Manchester as a possible business and visitor destination in the future.

Other major sporting events

After the Olympic Games football is the major sporting attractor and the recent World Cup in 2002 changed the image of Japan and Korea bringing these countries for Westerners into their consciousness at a completely different level. This was in part due to their success in the championships themselves. However the impact of major championships are far less substantial than for the Games. As with the Olympics it is the media coverage that increasingly provides the major benefit so the balance between place marketing effects, media coverage and actual visitor revenue needs to be assessed. In the European football championships in 1996 it was London that received the major publicity boost as distinct from the core cities. Also snooker receives more media coverage than a swimming championships.

In sum, there is a wide variation in impact on an event by event basis and certain sports events even world championships do not get substantial media coverage. Thus beyond niche impacts on those committed to the sport the impact can be relatively minor for one-off events.

One report¹⁹ shows that the Euro 96 football championships attracted 280,000 overseas visiting supporters, spending around £120 million in the eight host cities and surrounding regions. If the impact of spending by domestic visitors not resident in the host cities is included, the total economic impact generated in the host cities by all spectators and media/ officials to Euro 96 was £195 million, making it the most important sports event economically ever to be held in England.

Euro 96 had a significant impact on the UK hotel industry. Outside London average room occupancies and average room rates were up by 14 and 22 percent respectively in June 1996 over their level in June 1995. In Manchester, there was a 57 per cent increase in room yield and room occupancy directly attributable to Euro 96. However, the displacement of business and conference trade did dampen the impact in some areas of the country.

Another study²⁰ looks at six events held in Britain in 1997 and estimates the economic impact in the host city. It shows that some events held on a regular basis (e.g. a Cricket Test Match) generated substantially more economic impact than European Championships or other one-off events that were bid for by the host city (e.g. the World Badminton Championships in Glasgow). It illustrates the uncertainty associated with the economic benefits of hosting smaller sports events even though they may be World or European Championships.

A third paper²¹ examines the "public profile" of the European Short Course Swimming Championships achieved via dedicated television coverage.

In broad terms this initial monitoring of an event's television coverage has revealed some interesting and perhaps unexpected findings. The key finding is that the event achieved television audiences that were greater than some sports generally perceived as having larger audiences than swimming. Most notably, audiences for the European Short Course Swimming Championships exceeded those for some rugby union international matches as well as prestigious events in the rugby league and cricket calendars.

¹⁹ Dobson N, Gratton C, and Holliday, S (1997) *Football Came Home: The Economic Impact of Euro'96*, Leisure Industries Research Centre, Sheffield.

²⁰ Gratton, C, Dobson, C, Shibli, S (2000): *The economic importance of major sports events: a case study of six events*, *Managing Leisure*, Vol 5, No 1, January, pp 17-28.

²¹ Gratton, C and Shibli, S (1999): *Assessing the Public Profile of Major Sporting Events: A Case-Study of the European Short Course Swimming Championships*, *International Journal of Sports Marketing and Sponsorship*, Vol 1, No.2

From the perspective of host cities, governing bodies and sponsors, the analysis enables a clearer value of the sponsorship property to be acquired before any financial commitments are made.

The European Short Course Swimming Championships achieved coverage in 18 programmes or programme segments lasting 1,087 minutes which were broadcast in the UK and mainland Europe. A total of nearly 8 million viewers across the UK and Europe watched coverage of the event. The highest audience share was achieved in the UK (23%) and the highest TVR (Television Rating) was achieved in Finland, where 9% of the country's population watched recorded highlights of the event.

The economic impact of the spending of visitors at this event was relatively small (around £300,000). However, the public profile achieved by the television coverage was worth substantially more than this to the host city, Sheffield, the event itself (owned by the international governing body LEN), and the event sponsor, Adidas).

One report²² on the World Snooker Championships not only revealed a substantial economic impact for this event but also showed again that the value of place marketing of the venue, the Crucible Theatre and of the host city, to be substantially higher than the impact of the spending of visitors. (See Table 1 and Figure 1).

Table 2: Place marketing effects of World Snooker Championships 2002

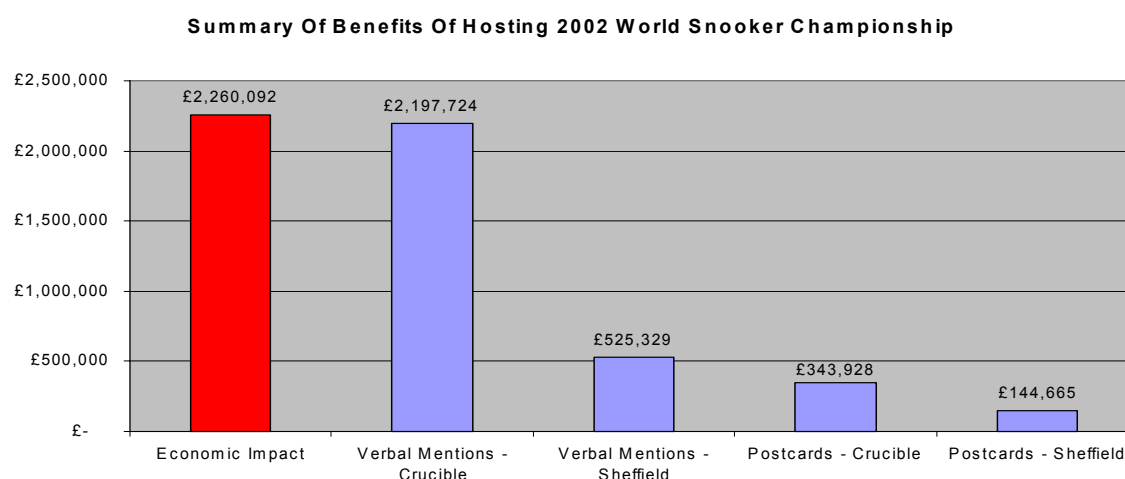


Figure 1

²² Shibli, S and Coleman, R (2002): The Economic Impact of the World Snooker Championship on Sheffield, report to Sheffield City Council by the Sport Industry Research Centre, Sheffield Hallam University.

	The Crucible Theatre	Sheffield	Total
Theoretical value of verbal mentions on BBC television	£2,197,724	£525,329	£2,723,053
Theoretical value of postcards on BBC television	£ 343,928	£144,665	£488,593
Total	£2,541,652	£669,994	£3,211,646

2 Festivals and programmes of cultural activity

Evaluating Cultural Capitals

The European City of Culture programme is the major cultural event that can be compared to sporting world championships or the Olympic Games. The only equivalent arts festival is the Documenta in Kassel, the 4 yearly 'Olympics' for the visual arts and to a smaller extent the Venice Biennale. The European programme is not global in the sense that sporting events can be. The direct and indirect economic impact and media coverage is far less certain and its impact more subtle.

There is only limited analytical evaluation of the wider impacts of the cultural capital experience in different cities. Although most of the cities which received the designation have produced evaluation reports, these have often been limited to subjective evaluations of the programme and its outcomes and general assessments of tourism, media and infrastructure impacts. Notable exceptions have been the more comprehensive evaluations published by Glasgow (1990), Luxembourg (1995) and Copenhagen (1996) and Rotterdam and Oporto joint holders in 2001.

The primary source of comparative information about past cities is contained in the publication 'European Cities of Culture and Cultural Months' (1994) commissioned by the Network of Cultural Cities of Europe, a project directed by Robert Palmer with research undertaken by John Myerscough. This covers the years 1985-1994 and describes the aims, programmes and outcomes of 13 different cities as well as drawing together common threads and lessons learned. Eric Corijn²³ (VUB, Brussels) has written a thoughtful longer piece. has also produced a special issue on the European cultural capital phenomenon. In addition, there has been considerable press and media coverage of different cities and this material also includes critical assessments by individual journalists.

²³ Corinn, E. 'Antwerp 93 in the context of European Cultural Capitals: Arts policy as politics'. The International Journal of Cultural Studies Vol. No. 2

All cultural capitals are obliged to provide a final report of their activities. Many of these have been subjective and uncritical, more like glossy marketing documents which endorse the success of the cultural year, backed by some impressive statistics (often unsubstantiated and without interpretation) and glowing endorsements by selected personalities. The length and comprehensiveness of such documents have varied considerably. Certain cities produced impressive publications during their cultural years, thereby creating a written myth of an event that did not necessarily match the reality. Rarely does one find a true record of the controversies, debates, failures and problems.

Until Glasgow in 1990, no comprehensive data was collected by cities on economic and social impacts. Glasgow also undertook sophisticated tracking studies to assess the city's changing image in the rest of UK and Europe. Following the cultural year, the city continued such research. In 1988 Glasgow published a cultural statistics digest, which continued on a bi-annual basis until 1998. This combined both traditional statistics of audience participation and tourism and also sought to measure the city's on-going creativity by assessing new works, international collaborations and the levels of practicing artists resident in the city. Antwerp after 1993 has also continued to research the city's cultural life.

Most cities measure tourism impacts, although published figures produced by the tourist industry itself are sometimes suspect. All cultural capitals have demonstrated tourism impacts averaging increases of 10-15 per cent when compared to the previous year, Glasgow being the exception with 50 per cent. After the cultural year in Lisbon, the city altered its promotional themes towards highlighting culture. In Rotterdam, the most recent study, foreign visitors represent 16.8% nearly a doubling over the previous year and overall tourism increased by 13.6% from the previous year from 12.29 million to 14.06million.

In certain cities, contradictory reports have been published expressing different views (and sometimes different statistics) by different bodies- the organisers, public authorities, the tourist board, the universities, etc. For example, Stockholm in 1998 produced an internal evaluation of the year which was broadly positive in terms of impacts relating to programming, tourism, media etc. and demonstrated that the objectives of the year were achieved. However an external evaluation was not so kind in assessing public participation, the international programme, the regional spread, tourism figures, management capabilities and the media response. However it was argued that the writer of the

evaluation had personal reasons for being critical. This makes it difficult to know what to believe. Similar problems have plagued evaluations in other cities.

In summary evaluations to date:

- tend, with notable exceptions, not to go in depth and focus on a narrow range of issues.
- economic impacts have been assessed in a few cases such as Glasgow, Luxembourg, etc., as have social impacts in Antwerp, but often on the basis of rather narrow criteria. Tourism figures are not analysed carefully enough and assumptions made cannot always be substantiated objectively
- are largely quantitatively driven focusing on tourism figures and levels of participation rather than on the quality of the experience or its transformational effects, or even the quality of the art produced compared to international standards. Little relationship is established between the number of people attending an event and its quality, and statistics for attendance at large festivals, outdoor spectacles etc. offer false impressions of the motivations of those who attend and bolster figures for year-round participation. Erroneous conclusions are sometimes drawn in relation to 'local participation' or 'increased attendance at arts events' and in relation to general perceptions of the year's success, value for money, etc. Often the questions asked in omnibus surveys are very vague or misleading, and sometimes the sample sizes are very small.
- the time delay between the year and its evaluation is not long enough and therefore longer term impacts are difficult to assess.
- many objectives of the cultural year are very general without indicators for the evaluation determined in advance. It is very difficult to make objective judgements in relation to issues such as improvements to the quality of life, extended access or raising the level of public debate. Statistics focusing only on the number of projects or artists involved can be misleading and often include no qualitative evaluation.
- conclusions about cause and effect relationships are too simplistically drawn, such as tourism increases that are solely due to the artistic programme of the year. No one to date has

been able to draw hard figures from soft arguments. Local statistics should be seen within the context of international figures and other trends.

- apart from Brussels (2000), no city has evaluated the content of the artistic programme from a critical point of view in relation to the objectives and themes that were established.
- there has been no evaluation of the nature of culture and its meaning for the city in question. Conceptual or philosophical evaluations appear too soft; this need not be the case if they are researched and written well.
- there has been no evaluation of changes in political views about the role of culture in the city apart from in Glasgow.
- Helsinki apart, there has been no evaluation of the deeper, more subtle legacies of the year or its indirect spin-offs, aside from economic multipliers. As a consequence the real additionality of the year is rarely explored. Again, results of such an evaluation will be different one, three, five and ten years after the event. Sometimes it is difficult to trace impacts or legacies; the audit trails frequently are not transparent. For an exception see Charles Landry's report on Helsinki's Cultural Futures²⁴
- it is rare to see a balanced evaluation highlighting real successes, but also problems and failures. An evaluation which is prospective and future oriented in terms of tackling longer-term issues, including an analysis which is able to tease out key and critical issues arising from the cultural year can be invaluable for future policy debates and actions.

Exploring strategic dilemmas of the cultural capital programme

Taking an overview of the cultural capital scheme, a number of issues are rarely addressed in advance:

- What is a European City of Culture in 21st century terms? Who defines what culture is? The result is often that a wide definition of culture is used in the literature but then, a subsequent programme is created that reflects a narrow definition focused on the arts.
- Who owns the cultural capital? Is the cultural capital initiative a political or a cultural project? Looked at politically, the years

²⁴ See Charles Landry: Helsinki's Cultural Futures, Comedia (2001)

are usually seen as a means of boosting the external image of a city which tends to be more focused on visitors and external opinion-formers, as distinct from changing perceptions of local identity and understanding of culture. What is the appropriate balance?

- Should the emphasis be on culture and development (including city marketing, regeneration, new physical infrastructure, etc) or cultural development and associated issues of art, creativity and identity? How best can one combine the two. How can the year be used to help a city to re-define its cultural policy? There is usually little co-ordination between different policy strands such as tourism, urban planning, education, health and cultural development.
- How can the impetus generated by the cultural capital process be sustained over the long term? How can the expectations be managed? Who is willing to sustain on-going investments beyond the year itself? The expectations and aspirations generated by the year are rarely if ever developed in the long term, therefore negating many of the positive impacts of the year.
- Should the emphasis of a cultural year be on setting up new networks and new management models or should the focus be on existing networks and institutions? The emphasis has often been on the former, and once the year has finished, the decline in available resources tends to lead to a retrenchment into traditional models and disappointments. There can even be a back-lash of opinion from the cultural sector or the public who questions the value of an investment which cannot be developed or maintained.
- What is the role of established institutions within the cultural capital framework? Are they central or more peripheral players? Those cities which tried to provide opportunities for new artists and emerging talent or to explore cultural boundaries, such as in Brussels, Antwerp or Helsinki, inevitably came into some conflict with certain mainstream institutions and public bodies. As a consequence, the potential transformational effects of the year have not been capitalized on, as main institutions retreat back into old habits, not taking account of what has been learned during the cultural year.
- What should the balance of priorities be between domestic and international agendas? Rarely are appropriate comparative criteria developed. For example, what level

(regionally, nationally, European, international) is the city operating at in cultural and artistic terms (quality, output, infrastructure, participation, creativity, experiment)

- What is the real longer-term additionality of the cultural capital process? What is its extra value?
- How is it possible to assess the deeper legacy of cultural capitals? Who should be involved in this debate?
- Can cities learn from each other? How can the vast experience of many cities that have been European Cities of Culture be used productively? Cities are different, but the main issues have remained the same? How can the collective experience of the organisers, producers, artists, political leaders of such events be combined and used in the future?

Other festivals

As Europe's largest festival Edinburgh stands as the supreme example. The main lesson is that generating an impact for a festival takes time in order to etch itself into national and international consciousness. For this reason a number of cities, such as Antwerpen have developed a long term plan to theme themselves in as many years as possible. A number of themes have been identified. The first connected to the role of Antwerpen as a historical hub. The first of these was linked to its Van Dyck exhibition in 1999, another will be in 2004 centred around Rubens in partnership with Lille the European Cultural Capital in 2004. The second is to project and brand Antwerpen as a fashion city and in 2001 a long series of events focusing on the city's fashion costing 5million euros was staged. This will be taken further with the opening of the fashion museum in September 2002, which will host two major international exhibition/events per annum.

The annual themeing strategy is particular appropriate to 2nd cities and can be used strategically to connect to the local economic dynamic as in the case of Antwerpen. Rotterdam by contrast has focused on projecting itself as the city of modern architecture (the National Architecture Institute is based there) and film (through its annual festival), both symbols of modernity and new technology.

In general festival cities are heritage capitals including cities such as Salzburg, Heidelberg or Florence which supports an already existing tourist market. For this reason programmes such as the European Cultural Capital initiative are significant for those without such a pre-existing reputation in order to generate international recognition on the basis of which niche themes can be generated. For those in

the lower scale in the international reputation and recognition league and wishing to move higher up focused themeing becomes essential. The contrast is to put on a scatter shot, generalized festival that only with luck, imagination, time and resources can even get national profile.

Most festival cities seek to extend their programmes across the year to avoid overheating, such as Edinburgh's science and children's festivals, however most of these have a more local impact.

Long term festivals have a clear economic benefit, but not major media coverage on the scale of major sporting events. It is more likely to be national rather than international aside from committed niche audiences.

Cannes provides an interesting example as it uses the global media coverage of the film festival as the platform to promote the city as a whole as a conferencing centre.

Rolfe²⁵ shows that out of 527 festivals in the UK in 1992, 56% were established in the 1980s and early 1990s. For many festivals, the prime objective is normally the presentation of arts events to the local community. Tourism and economic impact often not a primary objective.

Law²⁶ indicates that many European cities in the 1980s adopted an urban tourism strategy around the staging of festivals and this was highlighted by the increasing importance of the European Cultural Capital programme as evidenced around the success of Glasgow in 1990.

Other studies²⁷ have measured the economic impact of the Edinburgh festivals. For example, in 1990 additional direct expenditure of £43.8 million in Edinburgh and Lothian. Economic impact in Scotland of £72 million as many of the festival visitors also spent holiday nights in other parts of Scotland. These results

²⁵ Rolfe H (1992) Arts Festivals in the UK Policy Studies Institute, London.

²⁶ Law C M (1992) Urban Tourism: Attracting Visitors to Large Cities, Mansell Publishing. Law C M (1993) Urban Tourism and its contribution to economic regeneration, Urban Studies 29 (3/4) pp 599-618.

²⁷ Scottish Tourist Board (1993) Edinburgh festivals study: visitor survey and economic impact, Festival Management and Events Journal, 1 (2), 71-78. Gratton C and Taylor P D (1996) Impact s of Festival Events: A Case-study of Edinburgh, in Ashworth G J and Dietvorst A G J (eds), Tourism and Spatial Transformations, CAB International: Oxford.

See also:

Comedia: The impact of the Cheltenham Festivals. Getz D (1991) Festivals, Special Events and Tourism, Van Nostrand, New York. Hall C M (1992) Hallmark Tourist Events: Impacts, Management, and Planning, Bellhaven Press, London.

show Edinburgh festivals one of the largest in Europe for festivals that are staged annually and certainly the largest in the UK. An update was carried out in 1996 and estimated additional expenditure in Edinburgh due to the festivals of £122 million. However, unlike the 1990 study this update was not based on a major visitor survey and used only modelling approaches. No new primary data was collected and so the large increase in economic impact over 1990 looks highly suspect.

3 *Icons as the drivers of image building*

Overview

There is an emerging repertoire in the use of culture or arts in city development largely based in trying to generate 'prestige' for a city. It is usually focused on facilities to enhance image, attract visitors and so it is claimed also inward investment. The attempt is to brand the city and associate its name with cultural sophistication. In the past these institutions mostly carried the name of the city in their title, although more recently there is a trend to create more unique and distinctive identifiers such as 'The Baltic' or 'The Sage' in Gateshead or the 'The Guggenheim' in Bilbao, where intense efforts are made to give the word itself powerful resonance. The costs of generating brand recognition through a name is immense not only through the power of the building – the container – has to entice but also the contents need to be associated with world class quality to get through the 'noise' of information overload in order to become a 'must see' destination. And very few achieve this.

The primary focus of these strategies is outward-looking and internationally oriented and this in turn often creates problems for locals, especially the indigenous artistic communities, who may feel their needs are being neglected. The full repertoire includes: The museum, the concert hall, the theatre, the experience centre of whatever theme, the sports stadium and finally the aquarium, Indeed a perceptive commentator recently noted 'we live in the age of aquaria'. More recently the repertoire has broadened to include 'creative quarters', which in fact are usually refurbished old industrial buildings in inner city fringe areas as well as attracting big events either in sports or festivals. The attempt to generate international attention in a world of short attention span has meant architects now have an increasingly powerful role and there is frenzied competition to attract those with star quality who are able to create iconic buildings, such as Gehry, Izoaki, Snøhetta, Rogers, Fosters, Alsops or Calatrava. There is a tension between the need to continuously provide the innovative and technologically daring, enabled increasingly through complex computer modelling, and the

requirement to make buildings work functionally for their purpose. This requires a series of mundane attributes, such as 'can I get the lorries to actually deliver the theatre scenery', which are increasingly being disguised so as not to disturb the building as a work of art.

As branding has become the mantra of the age cultural institutions themselves have increasingly recognized that their institutions have drawing power and iconic quality. Cities seeking to take the short route to international status now pursue them with vigour. They have recognized value in their brand and have begun to franchise their name, such as when Bilbao paid \$20million for the use of the Guggenheim name for 20 twenty years. The Guggenheim's internationalisation strategy includes outlets in Berlin, Las Vegas (built by Rem Koolhaas another architectural star), its old outlet in Venice and others being proposed for Tokyo and elsewhere. Every week nearly the Guggenheim receives offers to establish new outlets such as from Johannesburg. Others following this approach include the Hermitage in St. Petersburg with outlets in Amsterdam and Las Vegas. The Tate with its UK outlets has also pursued this route, although in a less commercial way.

Museums, galleries, theatres and sports stadia especially can in principle communicate iconically, because they usually do not have to strictly apply market criteria, which an office building, for example, needs to and so can spend more on quality. Iconics is an enriched form of communication with certain qualities as it allows a person to grasp complexity all at once without detailed explanation. They are self-explanatory, surprise, raise expectations and challenge. The *Angel of the North* is one with no need to explain in detail the steel and shipbuilding allusions of the North-East. It jolts the outside world so changing the perception of the North-East and expectations of it because of its ambition. The London Eye is another that is already rapidly becoming the marketing symbol for London after only two years.

Rarely do icon buildings follow through this iconic approach into the content of the institution. An exception is New Zealand's national museum – Te Papa. The name itself that translates as 'Our place' resonating with symbolic meaning behind which lies a powerful expression of the bi-cultural nature of the country 'recognizing the *mana* (authority) and significance of each of the two mainstreams of traditions and cultural heritage - Maoris and Pakehas – so providing the means for each to contribute to the nation's identity'. 'A place where truth is no longer taken for granted, but is understood to be the sum of many histories, many versions, many voices'. This sensibility is built, in part, into the physical fabric. A

long, noble, reflection-inducing staircase proceeds past outward-looking bays towards the top, where a dramatic promontory projects us out towards the drama of sea and sky, before we reach the *marae atea* (the traditional Maori meeting place) which is a symbolic home for all New Zealanders. This requires little explanation and is instinctively understood.

What this highlights is that a building, a tradition, a person (such as Nelson Mandela or Frank Gehry), an event (such as the Love Festival in Berlin or Notting Hill Carnival) a festival (such as Edinburgh) or an atmosphere (such as the liberal, free for all of Amsterdam) can have iconic status – yet cities seek to take the apparently easy and expensive route of a building without exploring sufficiently other dimensions. The key objective of big events, festivals and icons is to increase drawing power.

The world of retail is following this trend. Rem Koolhaas is reshaping the Prada stores in New York and Las Vegas; Future Systems is creating a reflective bubble from for its Selfridges and many more are on the drawing board – all in the name of creating experience. The slogan is the 'Experience Economy'. 'Experience required' has become the new mantra of strategy and marketing. It is a union of everyday consumption and spectacle. This process is turning retailing into a part of the entertainment industry often blurring the boundaries between shopping, learning and the experience of culture. It involves creating settings where customers and visitors participate in all-embracing sensory events, whether for shopping, visiting a museum, going to a restaurant or conducting business to business activities.

Commercial enterprises have begun to take on core attributes associated with culture and cultural institutions such as the claim to educational goals and by offering a range of presentation forms and programme offerings associated with the idea of the experience economy. Examples include: Disney World's Epcot Center, Niketown's museum-like stores, and epic bookstores such as Borders in the U.S. and Düsselmann in Germany. Significantly some shops, such as the Discovery Store are using original museum artefacts as part of the backdrop of their stores.

In reality there are very few icons that have world recognition, although the desire to create new icons is hotting up at a fast pace. Yet this frenzy has at least dramatically increased standards of design. It raises too the question of whether we can have icon or big event overload. In the last 30 years only two real global icons have been built the Sydney Opera House and the Guggenheim in

Bilbao, that aside Richard Meier's new Getty in Los Angeles nearly has this status as does the Louvre Pyramid by I.M. Pei as well as his Miho Museum near Kyoto. Most icons built in the UK through lottery funds are in honesty mostly of regional significance, such as the Life Centre in Newcastle or the Hull aquarium. This is in part because the cities themselves are insufficiently known internationally. UK national icons can be counted on one hand. They include the Eden Centre (where it is the power of re-using an old quarry in the middle of nowhere is the trigger) and the Tate Modern (which had both the name and the inheritance of an old building). Some would argue that the list should include the Walsall Arts Centre, Peckham Library and the Millennium Bridge in Gateshead. Icon status accrues more easily to those cities that are already seen as icons like Paris. Second tier cities simply have to try much harder as perception is key in a hyper-mediated world.

Within this repertoire festivals and big events seek to provide the content for the iconic containers. The larger festivals have, however, an additional value in that they use many other non-conventional locations especially exploited by fringe festivals which allow both locals and visitor to explore other parts of the city. Sometimes the use of these sites creates a dynamic for renewal. An example is the use of the massive Binding-Brauerei for Kassel's Documenta 11 in 2001, essentially the cultural Olympics for the visual arts. This redundant brewery site is now subject to intense local discussion with the idea of incorporating it into the regeneration of its area rather than tearing it down.

Melbourne is interesting as it is seeking to define the city as a whole as an icon and stage by holistically using and orchestrating iconic triggers from urban design, to events and increasingly projecting the city as a 'style'.

Significantly icons can be negative when they are deemed to fail, such as the Dome either subjectively or objectively. The same media frenzy that helps generate iconic impact is the same that can work in reverse.

There is also a growing worry that in a world of 'attention deficit' we are about to suffer icon overload. This means that people can only remember a distinct number of icons. This in turn might create a more intense battle to create ever more outrageous or innovative structures that can blast through the miasmic information swamp.

Iconic Buildings with attractive activity

Visitor Numbers 2000	
Millennium Dome	6,516,874
London Eye	3,300,000

These were the top two visiting attractions with paid admission in 2000. In spite of its huge success the London Eye is unprofitable. As a new design concept it suffered substantial cost over-run partly to do with getting it up and running for 2000 and partly because of technical difficulties. British Airways funded the difference between £50million and £80million at a very high rate of return and it these interest payments that are threatening the project unless the London Eye company can replace the debt. Had the interest rate been 10% less the scheme would be in profit. Interestingly it has been claimed that BA makes more profit on this loan than all its European operations.

Other visitor numbers for buildings with paid admission and place in top twenty:

Visitor Numbers 2000	
Tower of London	2,303,167
Natural History Museum	1,577,044
Victoria and Albert Museum	1,344,113
Science Museum	1,337,432
Canterbury Cathedral	1,263,140
Westminster Abbey	1,230,000
Edinburgh Castle	1,204,285
Windsor Castle	1,127,000
St Paul's Cathedral	937,025
Roman Baths	932,516

For attractions that do not charge for admission the following buildings appear in top 20:

Visitor Numbers 2000	
British Museum	5,466,246
National Gallery	4,897,690
Tate Modern (not full year)	3,873,887
York Minster	1,750,000
Tate Britain	1,204,147
National Portrait Gallery	1,178,400
Kelvingrove Art Gallery and Museum	1,003,169
Chester Cathedral	1,000,000
Birmingham Museum and Art Gallery	735,994
Tate Liverpool	653,789

What is interesting about the figures above is that all the buildings are of older stock, although many have been put to new uses such as the Tate Modern or Tate Liverpool and many have received lottery grants for upgrading.

4 Initiatives aimed at establishing a distinctive city and/or regional profile and image

The international case studies below will show the strategies employed to gain international image and profile, here we focus on two of the few British studies that specifically have tried to evaluate it. The reality is that as the cliché goes: 'I know that 50% of the advertising works, but I don't know which 50%'

One study²⁸, based on research of 77 tourism and marketing brochures (it did not cover inward investment brochures) reveals a strong and persistent tendency in UK place marketing literature to:

- focus on the past and be generally backward-looking; indeed 85% of covers had a historical image on the front
- represent places as culturally homogeneous; and
- not show diversity or distinctiveness, but to promote a similar, bland mix of facilities and attractions for every area.

It highlights that there is an important and potentially volatile difference between marketing products and services and marketing something as complex as a 'place'. Indeed the very approach that is making our towns cities and regions successful - the application of creativity, the development of cultural vitality, the celebration of diversity and distinctiveness - is severely lacking in the practice and literature being used to promote 'places'.

Whilst many of the brochures analysed were of counties as well as cities it nevertheless showed that the identities of British cities and regions being peddled are at best partial and at worst completely fictitious. The pages of brochures are crowded with images of the past - the 85% of the sample that have a heritage theme for the cover show people in historic costume, knights in armour, gentle country peasants and local fisher-folk enjoying a pipe at dusk with their dog on the quayside. This would not be a problem if the images were balanced with others,

²⁸ Murray, C (2001) Making Sense of Place. Comedia

A recent study²⁹ in similar vein argues that the contemporary city is notably image-conscious. Cities are consciously attempting to manufacture images and identities by manipulating a range of myths, traditions, lifestyles and urban cultures. The need to develop appealing city images is a particular concern for post-industrial cities attempting to acquire attractive reputations as tourist destinations. In an almost desperate search for imaging themes for this purpose, a growing number of cities have employed sport initiatives, involving events, events bids and the construction of new facilities. Despite the insufficient evidence of, and associated explanations for, image effects, it is widely assumed that these initiatives do have the capacity to enhance the image of the city destination. The study explores the validity of this assumption by evaluating the use and impacts of 'sport re-imaging' in three UK cities - Birmingham, Manchester and Sheffield. Findings included in the study affirm that all three have used sport events and sport stadia as vehicles for re-imaging, with tourist images a particular concern.

The study uses a holistic, conceptual framework that surmises that sport re-imaging can influence both the holistic images of cities and specific perceptions of sporting provision. It evaluates the impacts of sport imaging by identifying the processes through which these impacts may be gained. The effects of the case study initiatives are assessed in reference to their propensity to engender perceptions of impressive sport provision and their capacity to procure fresh core images and positive connotations. It used a combination of methods, including semi-structured interviews and questionnaires, to explore how sport re-imaging has affected the images of potential tourists. It addresses a weakness in the burgeoning place image literature which is dominated by attempts to deconstruct city re-imaging, and where there is too little attention to its reception, consumption and interpretation by target audiences. The study findings suggest that all three case study cities have developed strong sporting reputations and that sport initiatives do have the capacity to affect holistic city images because of their potency as metaphors. However, despite widespread awareness of their implementation, the specific effects engendered by some case study initiatives appear rather limited.

A study of Sheffield³⁰ provides evidence of visitor's image of the city during a period the city was hosting two major sports events (Euro

²⁹ Smith, A D, (2002) Reimaging the City: the Impact of Sport Initiatives on Tourists' Images of Urban Destinations, unpublished PhD thesis, Sheffield Hallam University.

³⁰ Destination Sheffield and Sheffield Events Unit (1996): Report on a Survey of Visitors' Images of Sheffield 1996.

96 and the World Masters Swimming Championship). The research showed that the city was perceived very favourable in terms of its attribute-based image as a sporting venue. In the study, 92.8% rated Ponds Forge Swimming Complex as good or very good for visitors, while 91.1% perceived Sheffield Arena in the same manner. Furthermore, 91.1% agreed or agreed strongly that the major sports facilities had made Sheffield a much more attractive place for visitors, with 84.4% holding the same view with regard to the city's provision of major sport events.

The report interprets these results as evidence that 'Sheffield's investment in new sports facilities and sport event programmes has improved the city's image as a tourist destination'. However, as the research recognises, the participants in this research had already decided to visit Sheffield and so were 'probably relatively likely to view it positively'. Accordingly, images of Sheffield and its sporting attributes may be exaggerated somewhat. A final observation from the visitor study commissioned by Destination Sheffield and Sheffield Events Unit, is that among visitors who were experiencing the city for the first time, a large proportion (65.6%) indicated they now had more positive images of Sheffield as a result of their visit. This finding may have implications for the success of sport-based reimagining. Sport events may provide the impetus for first time visitors to come to Sheffield who, according to this research leave with improved images. The result is indirect image enhancement prompted by the sport initiatives but not entirely driven by them.

For further references related to sport, culture and tourist image see appendix 2

5 *Leisure based retail development*

There is a substantial overlap between the retail and leisure sectors. Retail is all about consumer spending and since leisure accounts for 29% of spending, it is obviously closely tied in with the retail sector. However, we will concentrate on those leisure sectors that constitute spending on leisure activities and analyse the interrelationship with the retail sector. This means concentrating on the leisure services (rather than goods) sector of the leisure market, in particular on eating and drinking out, cinema, theatres, ice rinks, bowling alleys, health and fitness clubs, and heritage attractions.

Most of the discussion about leisure and retail is concerned with adding leisure and entertainment to the retail mix and this will be the focus of this section. However, it is important to note at the

outset that the opposite is increasingly common: that is, retail is often added to a leisure and cultural development. A particular example of this is the Heron City concept in continental Europe. Equally forward looking developers such as Lend Lease, the world's largest developer, state that 'cultural attractions are a key factor in our decision-making processes in order to establish a distinctiveness for any project we undertake' (interview with David Margason, head of research). Also major leisure attractions, such as special events or festivals, have an important impact on the retail sector.

Cox (2001) presents a useful model of the retail/leisure interface in Figure 2. She categorises a spectrum of motivations for

Figure 2



shopping/leisure behaviour with 'purposeful shopping' at one extreme and attending a 'leisure event' at the other. In between she has 'leisurely shopping' towards the 'purchasing' end of the spectrum and 'browsing and grazing' towards the 'entertainment' end. She argues that purposeful shopping is not likely to involve any leisure. Such shopping has been referred to as 'hit-and-run' shopping. Certain things need to be purchased and the object is to purchase them as efficiently as possible with minimum time expenditure. At the other extreme if the prime motivation is to attend a leisure event, such as going to the theatre, there is not likely to be any retail expenditure associated with that type of visit. It is in between these two extremes: 'leisurely shopping', with a stronger purchasing motivation, and 'browsing and grazing', with a stronger leisure motivation, that we see the interaction between retail and leisure.

A related approach is that of Schiller (1999) who argues that 'mainstream retailing' (consisting of routinely and regularly purchased goods) is increasing being put under a time squeeze, partly because of longer working hours and higher female participation rates in the labour market, and partly because holidays

and other leisure activities are taking an increasing share of consumers' time and money. He introduces the concept of 'leisure shopping' which is the mirror image of mainstream retailing: 'Here the outing is not so much a means to an end as the whole point, and shopping, though important, is only part of the experience. All sorts of things may be bought but there is no list to tick off. People do not go to Covent Garden to buy a silly T-shirt, they go because of the atmosphere and end up making a purchase'. Shiller's 'leisure shopping' equates with Cox's 'browsing and grazing'. To be a leisure shopping destination, there must be an attractive environment and a good mix of eating and drinking establishments since this is the key leisure element for leisure shopping. Schiller argues that the growth of leisure shopping is good news for town centres since these are more attractive venues for leisure shopping than out-of-town centre locations, and are increasingly the location for the siting of eating and drinking establishments of all types. This suggests that the crucial element of the leisure market for retailing is the largest sub-market of leisure, eating and drinking out. The influence of the other areas of leisure, such as cinemas, theatres, ice rinks, and health and fitness clubs is likely to be secondary to the retail sector as many visitors to these leisure attractions are likely to be at the 'leisure event' end of Cox's motivational spectrum, whereas the key area for the leisure/retail interface is the 'browsing and grazing' segment.

Evidence

Whilst anecdotally it is clear that retailing and culture and leisure increasingly interconnect and although conceptual frameworks such as those discussed above exist, there are no convincing empirical studies to show whether leisure and culture generate the retailing dynamic or the other way around. Overall in a more competitive retailing environment it is increasingly clear that retailers need to create richer experiences to attract footfall. Equally we have data in shopping centre rankings and hierarchies but nothing on the wider town centre functions. There is a lack of knowledge between kinds of leisure facilities and type or ranks of centres. Comparative and rigorous assessment of the impact and benefit of adding leisure to centres is not available. We not have solid evidentially based answers to the question as to whether leisure really promotes the viability of centres, or whether adding leisure to retail widens the catchment, encourages longer stays and greater spend, draws extra visits or alters the target market segments. For references see appendix 3.

6 *The Value of Urban Design*

The Commission for Architecture and the Built Environment (CABE) has led the way in assessing the economic value of good design in housing, prestige buildings, the streetscape. In February 2001 it undertook a first study called 'The Value of Good Design', and this was followed up by another in November 2002 under the same title. Prior to that the only study identified and commissioned by the South Australian government was a literature search called "Economic Indicators in Urban Design" in 1995 by Robert Bickford. At that time little substantial evidence could be found, so the CABE work represents a breakthrough.

The first study undertaken in partnership with DETR and carried out by the Bartlett School of Planning at the University of London investigated the economic, social and environmental value added by good urban design. The aim was to start, by means of an analysis of selected commercial developments, to provide evidence of whether, and how, good urban design added value in these three areas to back up what is already known intuitively about the benefits of well-designed spaces and places in order to encourage both private and public sectors to invest adequately in high-quality urban design. The research found that good urban design:

- adds economic, social and environmental value and does not necessarily cost more or take longer to deliver
- delivers high investment returns for developers and investors by meeting a clear occupier demand that also helps to attract investors
- enhances workforce performance and satisfaction and increases occupier prestige
- delivers economic benefits by opening up new investment opportunities and delivering more successful regeneration
- helps to deliver places accessible to and enjoyed by all
- benefits all stakeholders – investors, developers, designers, occupiers, public authorities and everyday users of developments

It concluded that there is still a need to:

- promote the value of good urban design to occupier organizations and extend value concerns beyond prestige markets
- use planning powers and regeneration resources proactively to promote positive change
- educate key stakeholders about good urban design and address the urban design skills deficit
- learn and apply the lessons from successful and less successful urban design practice

Its key findings were that good urban design adds value by increasing the economic viability of development and by delivering social and environmental benefits. It also indicated that the existence of these benefits was increasingly acknowledged across stakeholder groups – by investors, developers, designers, occupiers, public authorities and everyday users.

Good urban design adds economic value: by producing high returns on investments (good rental returns and enhanced capital values); by placing developments above the competition in their local markets at relatively little cost; by responding to occupier demand; by helping to deliver more lettable area (higher densities); by reducing management, maintenance, energy and security costs; by contributing to more contented and productive workforces; by supporting the 'life giving' mixed-use elements in developments; by creating an urban regeneration and place marketing dividend; by differentiating places and raising their prestige; by opening up new investment opportunities, raising confidence in development opportunities and attracting grant monies; by reducing the cost to the public purse of rectifying urban design mistakes.

It found too that good urban design adds social and environmental value: by creating well connected, inclusive and accessible new places; by delivering mixed environments with a broad range of facilities and amenities available to all; by delivering development sensitive to its context; by enhancing the sense of safety and security within and beyond developments; by returning inaccessible or run down areas and amenities to beneficial public use; by boosting civic pride and enhancing civic image; by creating more energy-efficient and less polluting development; by revitalising urban heritage.

The November 2002 study assessed the value of good design in: healthcare, in educational environments, in housing, in promoting

civic pride and cultural activity, for business and in crime prevention. Some significant conclusions were drawn including that: £2billion per annum is spent on dealing with illnesses caused by bad housing design; the value of design on peoples sense of self worth; that house prices in the US that applied good design principles were on average 11% more valuable and an exploratory study with UK mass house builders yielded a 15% greater return on investment; that high quality design leads to lower maintenance levels; that well designed public spaces generate greater vitality and more public life; that in the US public space and parks generated greater municipal revenue because of increased value; that in the new Peckham Library, designed by Will Alsop, usage figures for the first six months of the new library compared to the two closed libraries it replaced show that annual visits increased from 171,000 to 450,000 and book loans rose from 80,000 to approximately 340,000. Latest figures show that there were over 565,500 annual visits made from April 2001 until March 2002; that high quality and especially award winning buildings command a higher rental value; that the increased design component of a building is a nearly marginal cost; that a well designed educational building enhances performance and that in neighbourhoods with high quality design incidences of crime reduce and that hospital stays reduce by 14.2% in more attractive environments. Unfortunately though a European survey of town centres found that UK centres were the most disliked which highlights the continued challenge.

7 Initiatives aimed at creating increased perception of the city as a safer, greener, healthier place through cultural activity.

Sport England has recently (2002) carried out research in 4 local authorities around measuring performance of these authorities in sport development. 1,000 adult local residents were asked whether sport helps to make the community safer, healthier etc. The responses appear below. A is an affluent rural community, B is deprived inner city London, C is deprived northern inner city, D is a de-industrialised northern town.

Percentage of adults who strongly agree that sport helps to:

	A %	B %	C %	D %
- reduce crime	25.2	33.1	38.6	33.7
- make community safer	24.0	29.3	31.2	26.5
- reduce drug problems	18.2	24.4	21.8	19.2
- improve health	53.6	65.3	60.9	63.5
- increase local jobs	32.9	33.6	37.6	30.7

- improve environment	26.2	29.9	31.0	24.6
- make area better	36.4	40.0	45.2	37.3

The data indicate that there is a strong public perception, perhaps stronger in deprived urban areas than in rural areas, that sport and culture can contribute to health, quality of life and safety.

8 Cultural Quarters

The world's most famous cultural quarters like Soho in London, SoHo in New York, or Hollywood seem to have grown organically responding to their local economic dynamic without outside intervention. The same is true for newer cultural quarters like San Francisco's Multimedia Gulch, Amsterdam's Jordaan, Berlin's Häckische Höfe, Toronto's Queens Street or Melbourne's Fitzroy area.

A cultural quarter is commonly understood as a place with a focus on the creative industries with a set of common characteristics and balances as between:

- Consumption and production
- Living and working

However the popularity of the term means that any collection of cultural buildings, often museums or galleries that have nothing to do with production are called cultural quarters, such as the cluster of institutions around the Rijks and Van Gogh museums in Amsterdam, the cultural facilities in Dresden's core or Vienna's Museumsquartier. The danger is that the term loses meaning.

A good way of understanding how cultural quarters function is to view cities as a series of concentric circles. These circles are largely determined by property prices. In the hub at the centre are the high value added services - finance and business services, retail, activities such as advertising or estate agenting and high profile cultural institutions or the headquarters of major cultural industry organisations. Surrounding this core is an inner urban ring which historically provided supply services to this hub - be that printers, couriers, catering. It is also usually the home of the less well established creative industries that provide the innovative and buzzy atmosphere on which cities thrive such as design companies, young multimedia entrepreneurs even artists.

'Cultural types' in turn tend to provide the clientele for the funky restaurants or nightclubs, to which ultimately the more 'staid'

people from the hub want to go to. The buildings in inner urban rings are usually a mix of old warehousing, small industrial buildings and older housing with a large element of mixed uses.

It is primarily the lower prices that enable younger, innovative people to develop projects in interesting spaces that in the centre only companies with capital can afford. However, as companies grow and become more profitable they either then move into the hub or gentrify their inner area as has happened in both Sohos, Camden, Chiswick and Islington in London. This inner urban ring is vital for cities as it provides the breathing space and experimentation zone for most cities - it is the incubator unit for the city - as well as a buffer between the richer core and housing developments beyond.

The danger is that over time some of these inner areas themselves become gentrified and that in turn pushes out low value uses such as artists or local shops who cannot afford the new higher rents. The artists then in turn look for another low value area and so the cycle moves on. The gentrification dynamic is a double-edged sword.

In this way areas 'refind' a new identity by re-adapting older buildings of all shapes and sizes exist that can be used in a diversity of ways. The best tend to have larger buildings on main streets with secondary parallel streets where smaller activities or less space is needed. The general atmosphere tends to be a 'street factory' the opposite of a hermetically sealed building complexes associated with technology or science parks or even some prestige cultural facilities, that often give nothing back to the street or wider public realm.

This property value driven process appears organic yet stands at a fine and usually unstable balance, because as its attractiveness grows it tends to overheat given its drawing power. Mass mobility and easy access causes a number of potentially negative effects as many cultural quarters are in danger of simply becoming adult playgrounds as has happened in Temple Bar in Dublin, Berlin or Adelaide's Rundle Street East where the dividing line between the lively and the illicit is often breached. This activity then crowds out other functions so destabilizing the balance.

What role does intervention play? It has a strong role in those places where the existing economic dynamic does not create sufficient critical mass and clustering synergies. At the primary strategic level there needs to be a balance between allowing for bottom up growth and overall strategic management. This can have a number of features, which include:

- Generating a flagship as a lead attractor, such as the FACT Centre in Liverpool, Millennium Point in Eastside in Birmingham, the Broadway Media Centre in Nottingham, the music centre in Tilburg's 'pop cluster', or the now closed Lux Cinema in Hoxton. These flagships are usually public buildings and are more likely to have a relationship to the street which enhance the area's accessibility. However, a flagship is not a precondition for a cultural quarter.
- Increasingly though major cultural industries companies attracted to the ambience of a finely textured, vibrant creative quarter focused on small companies are re-locating in these settings often overwhelming the sensitive ecology of an area. Examples include Universal relocation of 600 staff to Berlin Friedrichshain opposite Berlin's trendy quarter Kreuzberg or Oracle and Volkswagen's design department relocation to the proposed cultural quarter in Potsdam's Schiffbauergasse or even Nokia's relocation to the Ruohlahti In Helsinki. These complexes are simply hermetically sealed office buildings rarely offering anything back to the public realm. Effectively they can destroy the vibrancy that made them attracted to a place in the first instance.
- Urban design and public realm initiatives are usually significant in getting the dynamic of a cultural quarter to reach a different level in terms of increasing property values so that the building renovation process can pay for itself without (or with less) public subsidy. This then in turn attracts more stable cultural industries companies, such as new media, graphics or film companies, that can afford higher rents.

This process tends to push out those (usually non-commercial) artists who discovered the area in the first place and attracted there by the spaces in older warehousing – Spitalfields being a current example. Maintaining this balance has been difficult and there two instances where this problem has been addressed head-on. Temple Bar has provided long term leases at preferential rates for artists to ensure they benefit from increased vibrancy. The second is in the Creative Business Enterprise Zone (CBEZ) in Deptford in Lewisham where the Council sold an old industrial warehouse to an arts incubator company Cockpit Arts at below market value to ensure that the emerging cultural quarter would not be overwhelmed by executive housing that would destroy the area's potential vibrancy.

- Strategic property holdings. Speculative purchasing of property that often lies dormant, as in the Bold/Hope area of Liverpool or Eastside in Birmingham, threatens the creation of cheap incubators spaces. In order to stem this process local authorities are seeking to hold on to their own strategic properties or to make targeted purchases early in the development of cultural quarters. This is to ensure they are used for 'public' purposes ranging from helping to develop cultural flagships or to establish start-up centres, as is the case in Lewisham.
- The place marketing and branding function can be significant for emerging cultural quarters, whereas successful ones usually market themselves through word of mouth. Sheffield's Cultural Industries Quarter is an example as was the initial branding of Temple Bar. However it should be noted that even places such as Silicon Valley have a strategic marketing organization.
- Licensing usually emerges as a key issue especially in balancing the various needs of the area's stakeholders to ensure that vitality is encouraged by extending hours yet at the same time to ensure that residents do not suffer.
- Mixed use zoning is a pre-requisite for successful cultural quarters in part because it can prevent the cultural quarter simply becoming an amusement park, but also because residents drive the economy of local shops such as newsagents, grocers, as well as bringing a certain level of security through natural surveillance. Greenwich Village in New York is an example.
- Dedicated business development support is significant, however this does not need to be tightly, spatially specific. Encouraging relocators to move to a cultural quarter can be more easily achieved through other incentives such as rate rebates, building grants and the like.

Future considerations include: The use of the Business Improvement District idea targeted at a cultural quarter area; the examination of preferential tax regimes, such as hotel taxes to help support cultural quarters and especially public realm initiatives, the designation of specific planning status for zones such as CBEZ

Future trends to be aware of include the capacity of wireless internet technology to create extended cultural quarters in virtual

space with the cultural quarter acting as the physical hub as is being explored in the Huddersfield Media Quarter.

The key future challenge is how to mitigate some of the negative effects of gentrification to ensure the area remains creative. Whilst creativity can be present at every level of a company from start-up to a mature company young innovators are a seedbed and resource. This implies finding mechanism to safeguard lower cost facilities.

Some evidence

The only piece of evidence for the effectiveness of cultural quarter we could identify was produced by Sheffield. It calculated the impact from 1988 was the year the Cultural Industries Quarter was designated to 1998 at which the first 10 year strategy was reviewed and EDAW were commissioned to produce the next strategy from 1998-2008. The spending calculations over this 10 year period were as follows:

- City Council £4.3m on salaries of CIQ Team, grants to cultural industries and in-kind support, mainly officer time from other departments
- Grants from other Public Sources (both capital and revenue) mainly the Urban Programme and Objective 2 - £40.6m
- Private sector investment mainly in capital schemes, workspace fitouts and sponsored (revenue) events like the Documentary Festival etc. - £123m.

The most recent figures since 1998 and the setting up of the CIQ Agency produced states that the CIQ has "attracted over £100m of private capital investment to complement the £6.1m of public funding". Some of this is residential development and speculative student accommodation as well as more consumption (night clubs/venues) and mixed workspace/office space dedicated to cultural industries.

9 Summary of this Section

- The only truly global event is the Olympics and its impact far outstrips other sporting events. Since 1972 all the games have been profitable, however associated infrastructure

investments, from metro systems to road building may not repay from a strictly commercial perspective. In the case of Barcelona and Sydney the evidence of a return on investment is positive. Barcelona's sustained increase in tourism, name recognition and rise in the inward investment community are witness to this.

- Large events and especially the Olympics are increasingly used as the driver for urban transformation as they are seen as a means of unlocking the planning, political and financial logjams to regenerate the civic fabric.
- The media and the fees generated from broadcasting rights increasingly play the central role covering over 50% of costs.
- World championships vary according to event and sport with football being the major attractor. However it is usually the capital city that benefits most from media exposure. Some niche events like snooker can generate significant impact, but it is the media exposure that has greater economic value. The evidential base for the impact of sporting activities is strong.
- The only equivalent large scale cultural event is the European City of Culture programme, although it does not have global reach. There are not many solid impact studies, exceptions being Glasgow, Antwerpen and Rotterdam. However tourism impacts and especially increases in foreign tourists are significant, for example a near doubling in Rotterdam. Increasingly cities are moving to themeing years with a niche focus, such as Antwerpen and fashion, in order to develop long term recognition and identity.
- Festival pay especially if they are well established and take the long term view. There is a solid evidential base to support this. Edinburgh has monitored the impact of its festival for over 25 years revealing that the costs on them are relatively small. One-off events have a far smaller impact.
- There are only very few powerful post-war global icons. The Guggenheim is one, the Sydney Opera House another. The Tate Modern has some global recognition beyond the committed niche audiences as does the Eden Project and the London Eye. Most structures we call icons are of national significance, such as the other lottery funded buildings many of which have good or innovative design quality. Achieving icon status can have immense financial impact as the Guggenheim in Bilbao shows and to a smaller extent the

modern architecture of Rotterdam. Icons can also be negative such as Spaghetti Junction or the Dome. There is however an emerging danger of icon overload.

- The value of iconic buildings, even if only on a national scale show significant benefits in terms of regeneration, increased rental values, increases in safety and civic pride. Furthermore the value of good design has multiple impacts – economic, social, cultural and environmental as two CABA impact studies show. These include positive effects on healthcare (reduction in time spent in hospitals), in educational environments (increased academic performance), in housing (a greater sense of security and self worth), in promoting civic pride and cultural activity,(increased vitality and footfall), for business (increased ability to keep staff) and in crime prevention (reduction in incidences of crime).
- Cultural quarters are part of the repertoire of urban renewal and the attraction of creative industries businesses often leads to a significant development dynamic. The most successful cultural quarters are those where there is a pre-existing strong cluster. However public policy can help by combining a bottom up and strategic management approach, this should focus on: Public realm improvement initiatives; when appropriate helping to fund a subject relevant flagship; assessing the strategic use of public land holdings to ensure younger entrepreneurs can rise of ladders of opportunity; ensuring flexible mixed use zoning; through area branding initiatives; the sensitive review of licensing arrangements and dedicated business support.
- Initiatives targeted at creating a distinct city or regional identity can be effective. This is especially evident in the case study cities such as Rotterdam (modern architecture and new media) or Bilbao (through the Guggenheim it is a place that seems to have come from nowhere). The evidential base for British cities is relatively weak and too much place marketing remains focused on the past and is generally backward-looking; they tend to represent places as culturally homogeneous; and not to show diversity or distinctiveness, but to promote a similar, bland mix of facilities and attractions for every area.
- The link between retail performance and the inclusion of culture and leisure is anecdotally strong and a number of leading developers, such as Lend lease, state that cultural attractions and distinctiveness is an important element in

their decision making process. Indeed an increasing number of retail developments are wrapping themselves around leisure rather than the reverse. However there is an insufficiently solid independent evidential base.

- The connection between sports and culture and its effect on quality of life is well established in qualitative terms starting with the work of Rogerson on the quality of life in British cities. However there is a weaker evidential base in terms of economic impact.

9. International Case Studies

We have selected a range of international cities in order to demonstrate:

- the distinctive characteristics of cultural activity which have played a part in increasing the city's competitiveness, economic growth and attracting inward investment
- policy initiatives, funding mechanisms and other measures which have enabled local, regional and national government to contribute to such cultural activity
- the impact of each city's approach to culture and economic development on the wider city-region.

By way of an introduction, we have firstly reviewed the current relationship of urban and cultural policy in a range of European states.

Urban policy and culture in Europe

A brief scan of the national urban policy position vis-à-vis culture as well as the extent to which there is a core cities debate in a range of European countries was undertaken. This needs further exploration.

The Netherlands

The only case where the connection between culture and urban policy is made explicitly is in the Netherlands where the national policy states that 'cultural planning' is a central part of city development. By cultural planning they mean more than merely the provision of amenities and facilities but also culture's role in creating identity and civic pride. Given the urban density of the Netherlands the city/region agenda is forefronted in that, for example, the Randstad is seen as an integrated entity in policy making terms. There is a debate about the relation of Amsterdam to other large urban centres and the need to spread provision. The high accessibility of different Dutch cities and advanced transport networks eases this argument. An example of spreading centres of excellence is that the National Architecture Institute is based in Rotterdam (in an iconic building) and not in Amsterdam.

It is unsurprising that national urban policy is most developed in some of the most urbanized European countries such as The Netherlands, the UK and France where in the latter two cases there is also a stronger degree of centralization. In Italy national urban policy is under-developed in part, because of strong regionalism as

is the case in Spain. In Germany there is national urban policy, but the federal structure gives substantial power to the Länder. In the Nordic countries where there are fewer large cities there is also a focus on regionalism.

Italy

There has been discussion for about two decades on the need for a national metropolitan policy and indeed about creating the equivalent of a core cities club, but these projects have not gone ahead in any sustained way. The strong regionalism in part mitigates against this being achieved. Some individual regions and cities within them, such as Piemonte and Turin have led the way and in Turin culture is taken seriously as part of a common overall policy for the city. Yet this is the exception rather than the rule. Other cities, such as Venice and its region Veneto have also begun the process, which some regard as more rhetorical. A key issue for cultural policy is Italy's obsession with the past, nationally, regionally and in terms of foundations. Foundations are particularly significant. In Turin, for example, the two largest foundations have annual budgets of 40million euros and the largest has a budget that is 20 times that of the city and the province (a sub-regional entity). This makes it difficult to move the more sophisticated cultural debate connecting creativity, talent, new industry centre-stage.

Spain

The high degree of regional budgetary autonomy has had a different effect. The Barcelona and Bilbao model, if they can be called that, has been taken up by Valencia and Seville as well as other cities in or near the Basque region, as Vittoria and San Sebastian. Whilst Madrid as the nation's capital increasingly draws talent, skills and headquarters to it there is a strong countervailing force. This could be seen in terms of the music industry where historically Barcelona was the centre, yet post-Franco and with the re-emergence of Spain, many key players had to relocate to Madrid as the global players such as AOL/Time/Warner had based themselves there. Barcelona's cultural strategy seeks to counteract this tendency. Each of the main regional cities is seeking to reinforce its strengths internationally in an attempt to by pass Madrid as in the branding of Valencia and Barcelona as centres of design.

France

The state is at the cusp of a significant change with the arrival of the new Raffarin government. Renowned as the centralized and *dirigiste* country par excellence, for example the 2000 European Cultural Capital programme in Avignon (a joint holder of the accolade) was effectively run from Paris, the new government is initiating a policy of decentralization. At times this policy has been

admired, for example through its policy to allocate centres of expertise to specific locations, such as Sophia-Antipolis near Nice, in the middle of nowhere. This was an attempt to replicate, ultimately unsuccessfully, a Silicon Valley model to encourage an innovation cluster by relocating research facilities of leading companies in which the state often had a stake in order to generate supply chain spin-offs.

Cities and regions have always had an amount of independence within areas of competence of which culture is one and local taxes are obviously spent on culture. Yet the new policy increases that control and is controversial in that it reconfigures power constellations and is about to upset some of those who were funded by the national ministry of culture given who will be funded in the future. A pilot programme with a series of cities is about to start. Furthermore a Delegation Interministerielle a la Ville, has just been set up to deal urban regeneration. One big project is the strategy to rebuild the tower block districts prevalent in many French cities, which are now recognized as a failure.

Germany

The federal structure determines the connection between urban policy and culture. A core cities argument was not necessary until recently as Berlin was marginalized and the German economy was effectively driven by their core cities. Until very recently Germany also did not have a national culture minister, whose power remains low, with cultural responsibilities handed to the Länder. The strong autonomy and traditionally very high public support for culture has made Germany far more polycentric than most European countries. An effect has been that Munich is perhaps the centre for advertising, Hamburg for film, Frankfurt for publishing so spreading cultural power throughout the country. The relocation of the capital to Berlin may over the long term reconfigure the situation, one example being Universal's move of its 600 employees to the emerging trendy area of Friedrichshain in Berlin. The connection between culture and urban policy has over the last few years become stronger. Perhaps the most integrated urban/regional urban and cultural policy connection has been made the IBA initiated Emscher Park programme in the Ruhr area – see case study. A major cultural debate concerns incorporating the East. This is sharpest in Berlin where the budgetary deficit of the 3 opera houses has meant that the city wants to merge two of them.

In the Nordic countries given the small number of larger cities the focus of spatial policy has been about regions.

Sweden

There is no policy for the bigger cities, rather more discussions about inequalities within cities and between Stockholm and other cities. A more heated discussion is emerging on dealing with cultural provision for suburban estates as well as which level of government should pay for facilities. Recently it was agreed, for instance, that the Stockholm Symphony Orchestra should be paid for by the county.

Finland

As perhaps the most recently urbanized country in Europe has logically focused on regions, however a national urban policy is in the process of being developed the main driver of which is local identity and civic pride which quite naturally brings in the cultural dimension. Helsinki has been itself effectively treated as a region as the separate authorities Vantaa (where the airport is) and Espoo (where there is a very large Nokia base and University of Technology) are contiguous with Helsinki. Two debates or conflicts are worthy of note. The contribution of Vantaa, for example, to the national opera house in Helsinki is larger than its total budget for culture in Vantaa. When Helsinki was the European Cultural Capital both Espoo and Vantaa made substantial contributions. The other debate is between resources going into Helsinki and the rest of the country. A major means of spreading resources and strengthening regions is the *Culminatum* programme to spread centres of expertise and excellence through out the country as well as its technology park strategy. One effect has been that Oulu, near the Arctic circle, is one of the top three innovation parks in the world with over 10000 people employed, with an astonishing record of bringing innovations to the market. Finland's information society strategy has focused on eradicating the 'tyranny of distance' as witnessed by Finland's high use of internet and related new media plus its language capacity.

Norway

There is increasing interest in urban regeneration and the revival of life in city centres driven by the waterfront renewal schemes in Bergen, Trondheim and Oslo. Within each of these cultural anchors are seen as major catalysts; the new Norwegian opera house will be built by rising global stars Snøhetta Architects, who built the new elegiac Alexandria Library in Egypt and are currently completing the Margate Pavillion. Their design for the opera house is original jutting out into the sea allowing visitors to walk on public space that covers the roof. Whilst policy has traditionally been regionally focused the new Conservative government is focusing on urban policy especially in the context of the competition between Oslo and Copenhagen. This policy has what one commentator claimed 'lots of rhetoric

about culture'. A core cities debate in reverse is emerging as to who should fund major cultural facilities with the proposal that Bergen fund its theatre from regional and city resources a particular bone of contention.

Denmark

Perhaps the most significant city/region debate has occurred in Denmark as it crosses national boundaries with the øresund region strategy that connects Copenhagen with Swedish Malmö via the dramatically sweeping øresundbron bridge (again an iconic structure). This is seen as an integrated economic and cultural region witnessed by the fact that Malmö's international airport is in fact in Copenhagen.

CITY CASE STUDIES

1. Bilbao

From strategy to implementation

A historical trajectory

Bilbao has become an international focus for lessons in urban regeneration. This is largely because of the 'Guggenheim effect'. Yet the Guggenheim is merely one initiative in a much longer term process of Bilbao's renewal whose history has a far longer historical trajectory. We highlight this trajectory to show that at its core the changes in the city are concerned with changing mindsets, developing leadership, governance and entrepreneurial capacity, aspiration, will and motivation a consequence of which is the focus on the very long term, strategic thinking, high quality design. In turn this enabled projects such as the Guggenheim to happen.

Already in the early 1980's Bilbao and the Basque region had recognized the restructuring of the world economy and its potentially damaging effects on the local economy. They projected that this would affect its traditional industries such as the port and steel making vast spatial areas of the city redundant and in need of renewal. It began then to scan developments, especially good practice examples, from around the world of relevance to its situation. These included Pittsburgh, the Ruhr area in Germany, Glasgow, Newcastle, a wide variety of cities in the Ibero-American regions. In particular Bilbao wished to learn how renewal could be effectively implemented and especially noted how a driving visioning mechanism was required to turn aspiration into reality. The public private partnership model initiated from the 1940's onwards through the Allegheny Conference for Community Development in Pittsburgh provided key lessons. Indeed Bilbao is twinned with Pittsburgh. Inspiration also came from the time dated 10 year International Bauaustellung (IBA) model of Emscher Park in the Ruhr area.

This led in 1989 to the Perspectiva del 2005 a strategic plan for the city whose objective was to develop Bilbao as a world-class metropolitan centre and to make the city ready for the new economy. The process of developing the plan and its subsequent implementation was assisted by a series of 'critical friends' and advisors of world renown including Phillip Kotler, one of the inventors of the concept of city marketing; Charles Handy, James Baughman the corporate director of General Electric, Gary S.

Becker, the economics Nobel Prize winner, David Bendaniel, from the Johnson Graduate School of Management, the architects I.M Pei and Cesar Pelli. Of special importance was the work of Anderson Consulting, which highlighted the 'urbanistic chaos' of the city.

To meet its challenge Bilbao has over time sought to develop 'a social architecture of innovation based on people and strengthening their capacity to identify new opportunities, and to have vision and ideals. To create an environment that attracts people who love ideas. To turn dreams in to reality'. A significant epigrammatic quote notes: 'We only have the chance once in a life time to create a new the civic fabric, at a minimum it should represent international class, at its best world-class'.

Driving the vision: Metropoli-30

In 1991 Metropoli-30 was set up as a driving mechanism and vision holder. Principally, the Association drives the implementation of the Strategic Plan for the Revitalization of Metropolitan Bilbao. It does not confuse vision making with implementing. Its remit covers municipalities in the metropolitan area. It has a membership of 128 paid up stakeholders ranging from the key public bodies, leading industry and university figures as well as major community bodies. Its role is to push aspiration, to enhance the metropolitan areas capacity for strategic thinking, to connect the metropolitan region with the best in their fields and to promote a new vision for metropolitan Bilbao. This has included involvement in a series of staging posts connected to the overall vision, such as setting up the 1993 Basque Council for Technology; getting the European Agency for Safety and Health at Work and the European Software Institute to base themselves in the city as well as helping to launch in 1993 the Committee for Attracting Entrepreneurs of the Future and in particular in 1994 the Carta de Megarides which defines the principles underlying the area's revitalization as a 'city of knowledge and education, peace and science'. It also includes attracting events or courses to the city that help its strategic thinking such as in 1995 the conference of the Centro Iberoamericano de Desarrollo Estrategico Urbano and the European Federation for Developing Models of Entrepreneurship in the Zamudia technology park.

Its other roles include improving the external and internal image of Metropolitan Bilbao and carrying out study and research projects related to Metropolitan Bilbao, as well as other metropolises that are cutting edge and from which Bilbao can learn. As such Bilbao has an intense networking strategy. It is, for example, a founding member of the Benchmarking Clearinghouse Association, as a means of improving the effectiveness of organizations and an active participant of the World Future Society. Over-riding everything the

Association fosters cooperation between the public sector and private sector with the aim of finding joint solutions to problems of mutual interest that affect Metropolitan Bilbao.

The strategic plan can be seen as having had three primary foci. The first concerned with physical infrastructure development so creating the physical pre-conditions to move forward; the second focusing more on issues of attractiveness and broad quality of life concerns and the third – the current phase – on changing cultural values of the metropolitan area.

From civic infrastructure to a change in cultural values

Within the plan key aspects of the civic infrastructure are addressed: A metro system, designed by Norman Foster – opened in 1995; a new airport, designed by Santiago Calatrava – opened in 1999, the Abando passenger interchange designed by James Stirling and being carried out by Michael Wilford, a major internationally oriented cultural facility that turned out to be the Guggenheim Frank Gehry – opened in 1997, a new tram system, the enlargement of the port, the Zubi Zuri pedestrian bridge by Calatrava, the Euskalduna Music and Congress Centre by Federico Soriano and Dolores Palacios, the extension to the Fine Arts Museum, the Alhondiga building refurbishment into cultural and sports facilities to create a new social space for the city, the Bilbao International Exhibition Centre, the masterplan for water supply and purification.

The strategy of implementation involved attracting world renowned architectural stars who could help create 'a new centrality' for Bilbao which was initially seen as establishing Bilbao as El Nuevo Porto Atlantico de Europa. However the emergence of the East with European enlargement already figures strongly in their thinking in their attempt to re-define what Bilbao's new centrality in a future Europe could be.

The levers to create this centrality include:

- High quality design standards
- Iconic architecture
- Cultural facilities
- Advanced design in terms of eco-friendliness and sustainability
- Attracting the headquarters of European level organizations such as the European Software Institute
- Developing a global event such as an Universal Expo proposed for 2006

In parallel there is a focus on projects that help mature the soft infrastructure of the metropolitan region and key terms used include:

- enhancing the capacity for 'multiple creativity',
- developing the spirit of entrepreneurship, innovative thinking and collaborative working, in order to create a new culture of entrepreneurship, such as post-graduate studies in entrepreneurship, focused on the needs of the region 30 years hence
- developing the leadership cadres in the region
- increasing aspiration and desire, such as the idea of having a Nobel prize winner from Bilbao
- appropriately renewing the region's cultural values in tune with what a future metropolis requires, such as the need for a cosmopolitan outlook, flexibility but as well as an ethos that marries wealth creation and social equality simultaneously

The focus on cultural values is significant as it embraces the broader notion of culture as an expression and combination of shared values, shared ambition and shared vision based on common assumptions, norms and habits of mind – *'the way we do things around here'*. In this context there is an emerging focus on the cultural industries as part drivers of the new economy for all of which the newly built and rebuilt cultural infrastructure plays a supporting role.

The objective of these combined hard and soft infrastructure initiatives is to involve a wide circle in seeing the development of the metropolis as a 'common social project' and to increase the dynamism of the region within a recognition of the new rules of urban competition with their focus on cultural richness, network dynamics and reinvigorated concepts of leadership.

Broader impacts

Has this investment in structure, iconics, big events, seeking to attract tourists paid off? The overall investment over the last dozen years has been in the order of 3.8 billion euros. Its effectiveness is measured in a variety of ways. Metropoli-30 annually assesses a series of benchmarks, such as the quality of human resources including education and training, labour market dynamics; or the internationalisation of the economy as in commerce, transport connections, tourism, trade fairs, levels of internet usage; economic growth indicators, environmental quality (there are now fish in the river Rio), personal quality of life, the sense of safety, cultural facilities, energy consumption and so on.

Property price levels have increased substantially, indeed Bilbao is the city with the most expensive prices per square metre followed by Barcelona and Madrid. The most expensive zones are Ensanche and Abandoibarra, which are close to the Guggenheim Museum. However the price of new housing in the periphery are rising even faster than in Bilbao especially Getxo on the coast. The prices on the outskirts are also rising sharply given the extension of the metro system to them.

Foreign direct inward investment data has been hard to come by, however anecdotally this increased especially in the ETA ceasefire period (the ETA problem remains the key one in terms of business relocation). The level of new business start-ups has increased substantially in the decade from 1991 onwards, from roughly 1700 to 2850 per annum. The largest percentage increases are in services (20.4%) followed by construction (15.4%).

In terms of re-location significantly the annual report of the European City Monitor by Cushfield & Wakefield, Healey & Baker shows interesting changes. This monitors the top 30 business cities in Europe headed by London, Paris, Frankfurt and Brussels. Bilbao is not amongst them. However when asked about future expansion and to express the situation in 2006 Bilbao, Valencia and Seville all come from nowhere to occupy positions 34, 32, 33 respectively. And all these cities have adopted similar strategies to Bilbao in attracting iconic cultural facilities to their cities. Manchester drops from position 19 to 28, and Glasgow from 21 to 31. Glasgow commentators claim that the city's high ranking was in part due to the 'halo effect' generated by its European City of Culture tenure in 1990 and as that receded so did its international status.

The Guggenheim effect

The Guggenheim Museum was conceived as an internationally oriented facility and the fact that it is located in Bilbao seen as fortunate. Metropoli-30 claimed that it was able to attract the museum, because the pre-conditions – an openmindedness, ambition and willingness to take financial risks – had been set in the decade before the actual decision was made. As they noted: 'Luck goes to those who make it'. An international design competition was held and the 3 strong short list included architects Iizokaki, Buro Himmelblau and Frank Gehry and was won by the latter in 1991. The Guggenheim opened in 1997 and is owned by Bilbao and cost approximately \$100 million with an additional \$20 million paid to the Guggenheim for the use of the name for a 20 year period. Within this contract Guggenheim makes its exhibitions and stock of art available to Bilbao. This direct investment by the Basque authorities according to the annual impact studies undertaken by

KPMG, of which there are now 5, repaid itself via increased tax revenues after 2 years and the current contributions by the region to the museum are covered by the yearly increases in tax revenue which in 2001 amounted 28million euros. In 2001 total direct and indirect revenues amounted to 149,000,000 euros and induced revenues 45million euros. For example, 40 million euros was generated in restaurants and the like, 50 million in hotels and other lodgings. The employment effect is estimated at 4415 people. Over the 5 year existence of the museum the public investment according to KPMG has repaid itself seven times over.

Estimates of visitor numbers were originally 500,000, but in the first visitors amounted 1,200,000, this began to decline after September 11th and is currently running at 930,00 per annum. 17% of visitors come from the Basque region, 35% from the rest of Spain and 48% from abroad of which 7% are British.

A consequence on other cultural facilities has been substantial, for example the museum of fine art has doubled its attendances.

The arrival of the Guggenheim effectively developed the local tourism industry, although business tourism was already well developed given the economic strength of the region, as 82% of visitors state that they specifically visited Bilbao only because of the museum. There is an estimated additional bed occupancy of approaching 1 million.

An impact is that a Sheraton hotel is being built for which a decade ago Bilbao would have been an unlikely location. Also the proliferation of global brands from Calvin Klein to DKNY would not have occurred without the Guggenheim.

The building of the Guggenheim was not uncontentious. The idea to build an icon structure in the face of high unemployment levels of the early 1990's caused alarm in a number of quarters, who felt it would be better to build new factories rather than pursue an internationalisation strategy involving city marketing and cultural facilities. In addition the artistic community were initially the most vociferous opponents as they believed the Guggenheim offered little to the local artistic community. Indeed a number arts programmes were initially cut and there was a fear of its impact on existing facilities. The local sculptor Jorge Oteiza, who had nurtured the project of an arts centre in another site in the heart of Bilbao, became the leader of a lobby opposing this museum, seen by many local artists and intellectuals as 'an instrument of cultural colonialism'.

Whilst some segments remain suspicious a larger section has become more enthusiastic given the now increased investment in culture such as the extension of the Museum of Fine Arts as well as other amenities such as the auditorium and conference centre. As a consequence it appears there has also been a burgeoning of artist run and grassroots movements with outlets such as the alternative theatre and dance centre La Fundici, the association Mediaz, the Urazurrutia centre.

Conclusion

Metropoli-30 believes the primary reasons for Bilbao's success have been its budgetary control and autonomy to perceive and trust its long term vision without having to dilute it through external negotiation. The Basque region keeps 90% of regionally generated taxes and pays 6.2% towards the state budget for external affairs and defense which represent approximately 10% of its budget.

2. Melbourne

Urban design and indicators as drivers of development

Melbourne is chosen as a case study as there are three lessons others can learn from:

- It sophisticated use of benchmarking and indicators
- Its focus on major events
- Its use of urban design, public art and planning mechanisms in order to make the city as a whole feel like an icon.

First some background. Since the federation of Australia was set up just over 100 years ago Melbourne and Sydney have been vying for supremacy. This is why ultimately Canberra was made the capital to avoid an unenviable choice between the two. In spite of Sydney being settled before Melbourne, Melbournites at times consider Sydney as the up-start, thrusting city in contrast to their sophistication and thoughtfulness. So intense competition between the two continues inexorably. Yet over the last decade Sydney has emerged as the predominant gateway into Australia with a greater service sector agglomeration such as business and financial services and associated activities from advertising to architecture. Melbourne by contrast had historically been the industrial and port facilities powerhouse as well as the centre for arts, sports and academia.

Sydney's predominance has been reinforced in the build-up to and follow-up of the Olympics 2000 with a larger number of international companies headquartering in Sydney, either as their Australian or Asia-Pacific hub, than any other Australian city. Sydney's power resonates both in real and in image terms. Sydney now has instant recognition through historic physical icons such as the Opera House or Harbour Bridge as well its association with successful events like the Olympics as well as annual activities like the Gay and Lesbian Mardi Gras. Also Sydney's setting cannot be under-estimated - the aura of its harbour is difficult to match and its weather more sunnily stable in contrast to the cliché of Melbourne where you can experience all seasons in a day and where the landscape is flat. Superficial sounding perhaps, but in location terms of significance.

This overall shift has made Sydney appear to be more accessible to international markets although Melbourne is equidistant and in reality Brisbane and Perth are 2-3 hours closer to the Asian

heartland and in their own right are thriving. Only Adelaide is fading out of Australia's quintet of major cities.

There are elements of the core city dilemma that Melbourne shares with UK cities. Melbourne City Council essentially covers an extended central business district (CBD) where the majority of major facilities are based; the 'cities' (the equivalents of boroughs) that cascade out from the centre have a high degree of autonomy and issues of 'who pays for what facilities' is an underlying theme. The state of Victoria in part seeks to balance out provision throughout its territory yet is aware of the need to counteract the pull of Sydney and New South Wales so forefronting the City of Melbourne. The Kennett governments of the 1990's in particular focused on enhancing the city's global status. The Commonwealth government has relatively little effect on the cultural domain.

From the early 1990's Melbourne was acutely aware of these underlying shifts and needed to confirm certain city positions as well as re-position others. It resists the idea of being seen as Australia's second city and in objective terms remains a city of substance given Greater Melbourne's population base of over 3million. The city has been the Australian centre for the arts and sports with Australia's major sporting events from cricket, football to horseracing associated with it. The same was true of music, theatre and the visual arts as well as associated cultural industries activities such as fashion and food.

Benchmarking and indicators

All cities benchmark and establish indicators, but some do it more comprehensively and meaningfully than others – Melbourne is such a city. In 1990 the World Population Crisis Committee nominated Melbourne (with Montreal) out of 100 cities as the world's most liveable city using a composite score of issues such as safety, noise, air quality, communications, education, public health, living space, housing standards. A more recent survey in the Economist in 2002 reconfirmed Melbourne as the world's most liveable city. The liveability agenda is thus the overarching envelope that drives Melbourne's strategy making.

These accolades have been a boon to Melbourne and immediately began to be used promotionally. It was one of the triggers that led Melbourne to benchmark itself world-wide from which followed a number of indicator programmes that went beyond the economic calculus. As they note an indicator is an empirical interpretation of reality and not reality itself. They are used to present a quantitative account of a complex situation or process and their three main functions are simplification, quantification and communication.

Melbourne uses its indicators to simplify the communication process by which information is conveyed to its diverse groups of users in order to provide clues and directives for more extensive programs of data collection and analysis. They stress that it is essential to distinguish between indicators of those components of Melbourne that can be measured objectively, and their qualitative dimensions, which include subjective evaluations, founded on perceptions, judgements and values. They acknowledge that these values vary between cultures, from group to group in the same society, between individuals and over time. In other words they balance 'soft' and 'hard' indicators.

In particular detailed environmental measurements have been brought into strategy making as well as a wide range of socio-economic indicators which sought to capture the life of the city. Thus the city has been tracking anything from detailed floor space use to the number of night clubs or bars to the use of renewable energy by businesses as well as the ability of Melbourne businesses to foster good corporate citizenship. For example, a key strategy of Melbourne is to enliven city life as they see this as part of its global branding which they believe will encourage inward investment. Measures include; the number of bars and restaurants in the city, which have risen from 401 in 1997 to 1169 in 2001 or residents living in the CBD, which have risen from 14000 in 1992 to 30000 in 2002. The latter was achieved through a long running programme called postcode 3000 (Melbourne's postcode). They skilfully used the planning system in the downturn of the early 1990's to switch vacant office space into mixed use tenures. This in turn has created a virtuous cycle affecting the CBD's vitality and vibrancy.

The comparative indicator set initially included a group of essential and desirable indicators totalling over 70 with cities such as Osaka-Kobe, Barcelona, Montreal, Seattle, Boston, Copenhagen, San Francisco and Manchester acting as comparators. Most of these cities are regarded as leaders for cities of their size and status. The internal indicator set is wider encompassing around 200 measures that are regularly monitored and are used to create the internal imperatives to drive Melbourne's vision forward currently expressed its City Plan 2010.

The core headings have a familiar ring, yet one senses an integrated approach with the notion of the triple bottom line – combining economic, environmental and social measures of success – embedded in strategy making. This integrated approach has historically been pursued by a range of significant programmes initiated by Brian Howe, then deputy prime minister under the Keating government, who for example launched ILAP – Integrated

Local Area Planning. The main headings of the plan are: Connected and accessible, innovative and vital, inclusive and engaging, and environmentally responsible.

Significantly the current objective is to take this one step further and incorporate the notion of culture as the fourth pillar of sustainability' (based on the book by John Hawkes of the same title). This will have significant longer term effects as over time it will bring out, as in Bilbao, the notion that it is cultural values that drive development so shaping ultimately the physical and mental landscape of the city.

The city is currently undertaking a review of its cultural policy and is again assessing this in the context of a global benchmarking exercise in order to match emerging practices. A key dimension is to incorporate and embed cultural thinking that has a focus on highlighting distinctiveness within city planning as a whole thus adding to the traditional features of arts strategy such as infrastructure development, participation and audience development. The attempt here is to incorporate a Melbourne approach to issues such as urban design including the extensive use of public art as well as to begin to address issues such as what the cultural values of Melbourne should be. Thus the distinction between broader cultural strategy and more narrow arts policy can be seen.

Major infrastructure and events

A parallel strand has been a focus on the traditional elements of urban boosterism and the urban regeneration repertoire especially under the former Kennett regime including building: An international convention centre, exhibitions halls, a casino, refurbishments of museums such as the Museum of Victoria, or renewal of the State Library; a major multi-purpose cultural centre in Federation Square which includes a Centre of the Moving Image and the Australian collection of the national museum and so on. Some initiatives such as the casino, one of whose targets was the Asian market were contentious. Perceived issues of cronyism aside it was felt that this cheapened the city and indicated more an act of desperation given the city's self-perception as being a thoughtful, considered place. Yet in the early 1990's Melbourne was struggling with Sydney's rise moving apace with some major headquarters relocating there.

At the same time Melbourne sought to attract major sporting events a particular coup being the capture of the Australian Grand Prix from Adelaide, which helps build the portfolio of its major sporting events which include: Australia's major horse – the Fleming Cup,

the Australian rules football final, the Australian tennis Grand Prix and cricket tests at the country's major cricket ground.

Melbourne is also holding the 2006 Commonwealth Games, whose objectives are to:

- Increase the national and international brand awareness of Melbourne/Victoria.
- Maximise international, interstate and intrastate visitation to the 2006 Commonwealth Games.
- Encourage visitation to Melbourne/Victoria pre and post Commonwealth Games.
- Provide tourism enhancing infrastructure and communication to visitors.
- Capitalise on the relationships that will be developed with global sporting, media and corporate partners.

The primary international markets targeted are Britain and New Zealand, as well as emerging markets South Africa and Canada. It is anticipated that the level of interest in the Australian market will also be significant. The passion Melburnians have for sport will undoubtedly support the Games through a visiting friends and relatives campaign. The city acknowledges the success of the 2002 Manchester Commonwealth Games and hopes to build further interest in the Commonwealth Games as an international sports event. A focus is on ensuring the Commonwealth Games legacy is maximised such as through infrastructure/facilities – the Melbourne Cricket Ground is being upgraded and the Yarra basin area, brand awareness, community participation and long-term business partnerships in the events tourism and media sectors.

Rather like Barcelona and Manchester Melbourne's positioning is determined both by sports and the arts in equal measure and thus are twin objectives.

Urban design and liveability

Melbourne is a leader in addressing urban design. For over 20 years it has highlighted the contribution of design to urban liveability. A key player at the outset was Evan Walker, who became involved in the 'Save Collins Street' campaign - a major Melbourne street. Collins St. was becoming increasingly fractured as high rise development eroded the Victorian street pattern. Walker then became Victorian minister for planning and with the aid of Rob Adams, the head of capital works, initiated a series of innovative planning procedures. These safeguarded the street frontage by

allowing the value added generated by high rise to be generated within the internal grid behind the Victorian facades. So from a distance the city looks cosmopolitan but from close in the relative intimacy of the streetscape is maintained. This attention to detail set a template for the development of the city that was followed through, for example, in the development of Southbank at the edge of the CBD an immensely popular redevelopment on the Yarra river which faces the evening sun. Another example is in Chinatown where the contemporary paving, innovative lighting and sophisticated design projects a modern character feeding off the old fabric.

This overall approach has provided a level of certainty and standards. It was based on bringing international expertise early on such as Tibbalds from the UK in the early 1980's and later on the Danish urbanist Jan Gehl to advise the city. This process has encouraged local architects to build innovatively such as Nando Kostalidis, who transformed amongst other projects a redundant flour mill into funky flats or Ashton, Raggatt and McDougall who created a post-modern structure from fractal forms on the main Swanston St. for the university RMIT, or Denton Cork and Marshall's renewal of the Museum of Victoria and most recently Federation Square where the British designers teamed up with a local firm Bates and Smart.

Over the last decade the key project has been the redevelopment of the Docklands whose template is the size of the current CBD. The urban design agenda certainly has been incorporated within the scheme as it has now become mainstream. It has, for example, the usual features for good practice such as a percent for arts scheme. The issue is how the innovation can be maintained over time given that urban design frameworks set the basic checklist –yet how can developers move creatively beyond that list?

An over-riding question is that whilst the Ministry of Planning has been transformed into a Ministry for Sustainability and Environment the transport department has been split off. Urban design is not high on the agenda of transport and its relatively autonomy and power is endangering the good work done elsewhere, for example some of the bridge crossings under their control.

A coda

The City of Melbourne is a relatively small area and attractive locations or opportunities associated with the city are often in neighbouring municipalities such as Toorak or Fitzroy which is part of Yarra. This can cause problems when assessing Victoria wide

initiatives as communication between localities is often not as close as it could be. Thus the Victorian government seeks to balance the desire to increase Melbourne's world city status whilst needing to ensure development opportunities spread and spatial and social equity issues are addressed.

3. Singapore

Rhetoric and Reality

Historical background

"We have reached a stage in our economic and national development when we should devote greater attention and resources to culture and the arts in Singapore. Culture and the arts add to the vitality of a nation and enhance the quality of life." (PM Goh Chok Tong - then 1DPM and Minister for Defence - in a written response to the Report of the Advisory Council on Culture and the Arts in April 1989.

The 1989 Report of the Advisory Council on Culture and the Arts was widely regarded by policy-makers and many in the arts community as a watershed in the development of the arts, heritage and cultural scene in Singapore. The main thrust of the report affirmed that 'culture and the arts mould the way of life, the customs and the psyche of a people'. It asserted that culture and the arts were important because they: give the nation a unique character, broaden our mind and deepen our sensitivities, improve the general quality of life, strengthen the social bond and contribute to our tourist and entertainment sectors.

The report recommended that Singapore's cultural development should be to realise a vision of a culturally vibrant society, defined as one 'whose people are well-informed, creative, sensitive and gracious, by 1999'. In addition, it noted that Singapore's multicultural heritage made it unique whose 'excellence in multi-lingual and multi-cultural art forms should be promoted'. Singapore was also identified as having the potential to be an international exhibition and performance centre for world class troupes. It noted the lack of skills, professional knowledge, resources, facilities and licensing arrangements to implement this vision.

The most visible accomplishments since 1989 have been the development of core institutions and infrastructures. The Report paved the way for the formation of statutory bodies such as the National Arts Council, the National Heritage Board, the National Library Board and facilities such as the Singapore Art Museum (1996), the Asian Civilizations Museum (1997), the Singapore Film Commission (1998) and the Esplanade – a multipurpose performance centre (2002).

The Esplanade, built by DPA architects, is seen as the 'star in the firmament' and was intended to be an icon comparable to the Sydney Opera House. The reality is that it probably has regional

rather than global drawing power. After thirty years of planning and six years of construction it seeks to "entertain, engage, educate, and inspire." Only five concert halls in the world possess its state-of-the-art acoustic features. The Esplanade's two outer shells resemble durians, a prickly fruit loved by Singaporeans. In the evening, 'its two "lanterns of light" will sparkle upon Singapore's marina, not only drawing curious looks from every direction imaginable, but also eventually welcoming boat taxis of concert and theatre-goers to its shores'. The Esplanade houses Singapore's first performing arts library and an arts-centric shopping centre. In their words it claims to 'herald the entrance of a cultural renaissance'.

In this phase of cultural development the focus of policy was contained to traditional cultural institutions and approaches without establishing the link to the underlying economic and social dynamics that could project Singapore as a creative, innovative city.

The Renaissance City project

By 1997 to 1999 many commentators argued that the emphasis should shift from 'hardware' to give more focus to 'software' or what they called 'heartware'. By this stage a potentially enhanced role for culture and the arts in the future development of our Singapore's society and economy was foreseen. Various government agencies had already mapped out plans to ensure that the strategic concerns of Singapore in areas such as education, urban planning and technology were being addressed. But there was not a holistic and comprehensive re-examination in Singapore how the arts and cultural scene would fit in.

The Renaissance City project sought to fill that gap. This began by undertaking an audit of facilities, activities, arts groups as well as assessed audience profiles. It noted the increase in events by around 150% over that decade and a general burgeoning of activity. It was particularly proud of foreign commentators who noted the transformation of the cultural scene. Whereas Singapore was generally written off as a sterile cultural desert the New York Times (25 Jul 99) described the Singapore arts scene as having gone "from invisible to explosive" or TIME magazine's cover story for the week of 19 Jul 99 on the loosening up of Singapore - "Singapore Lightens Up". It noted Singapore was getting creative and even "funky", with its society transformed "in ways that until recently seemed impossible".

Inspired by leading edge urban thinkers such as Sir Peter Hall Singapore tried to re-shift its focus as Hall noted that: "It's interesting that they (leading-edge informational activities) are especially concentrated in the highest-level global cities - London,

New York, Tokyo.....Those places with a unique buzz, a fizz, a special kind of energy, will continue to be as magnetic as ever for the production of products and above all the performance of services."

As a consequence the city state began a vigorous benchmarking process targeting the world cities London, New York, Tokyo and Hong Kong, but also Glasgow and Melbourne as members of the steering group Bob Palmer ex-director of Glasgow 1990 and Jeff Kennett ex-premier of Victoria came from there.

Through this process issues of talent and the capacity of a city to attract it moved centre stage as did concerns about generating vibrancy to increase the city's drawing power through cultural facilities as well as higher value adding economic activities and their support infrastructures such as world class institutes of higher learning and research laboratories. The benchmarking indicators used still defined talent in more narrow terms, such as numbers of arts organizations and professionals noting that London had double the amount and New York three times as many or numbers of arts facilities, activities, performances and expenditure. It concluded 'Singapore's arts scene has not developed at the same pace as our economic sector. While we are in the top league of cities in terms of economic indicators we are not in terms of culture'.

Culture was seen as the next step and as a competitive tool. Drawing on thinkers around the world it concluded: 'The future will nonetheless be very different from the past. In the knowledge age, our success will depend on our ability to absorb, process and synthesise knowledge through constant value innovation. Creativity will move into the centre of our economic life because it is a critical component of a nation's ability to remain competitive. Economic prosperity for advanced, developed nations will depend not so much on the ability to make things, but more on the ability to generate ideas that can then be sold to the world. This means that originality and entrepreneurship will be increasingly prized'.

Whilst Singapore had recognised this encroaching reality relatively early it had not yet seen the connection to developing the city's cultural capital. For example, the 1991 Strategic Economic Plan singled out the need to nurture creativity and innovativeness in Singapore's education system as a key strategy to realise its vision of a developed economy. Equally the 1992 IT2000 report stressed that "skills, creativity and knowledge will become even more critical in determining success in international competition.' opening a creative arts programme in May 1996, Deputy PM BG Lee Hsien Loong said: "Creativity cannot be confined to a small elite group of

Singaporeans...In today's rapidly changing world, the whole workforce needs problem-solving skills, so that every worker can continuously add value through his efforts." Renaissance City noted: 'We will need this culture of creativity to permeate the lives of every Singaporean, more so than ever before. This will have to take place in our schools and in our everyday living environment. The education policies of many countries have begun to emphasise the importance of promoting creativity and innovation. We have to be wary that we do not merely equate creativity with a narrow form of problem-solving. The arts, especially where there is an emphasis on students producing their own work as well as appreciating the work of others, can be a dynamic means of facilitating creative abilities'. It argued that: 'A vibrant arts and cultural scene will provide people with the stimuli and the opportunities to create products and services that are innovative and value-adding. Such an environment will help to nurture more of the trail-blazers. Individuals who deploy arts and culture to create new value using new business models can be termed as "artspreneurs". The new businesses that such "artspreneurs" generate will in turn feed the growth of arts and culture. These arts development and business formation loops will have a mutually reinforcing effect and will evolve with society to achieve greater heights in artistic and economic achievement'. The report focused too on cultural vibrancy and attracting foreign talent, it noted that: 'A pro-business administration and world-class business facilities are indeed key considerations in influencing foreign companies and foreign talent to work and invest in Singapore. They are necessary but not sufficient conditions for attracting talent, especially in a global village. Other important considerations such as our physical environment and cultural scene can persuade them to choose Singapore over other cities'.

In Oct 1998, the Ministry of Information and the Arts (MITA) commissioned a survey among expatriates to assess the importance of the cultural vibrancy of a city in deciding where to locate themselves and their companies. The majority of the 152 respondents felt that the cultural vibrancy of a city was an important or very important factor. Some key findings were :
 Holding business and economic conditions constant, 72% felt that cultural vibrancy was important or very important in decisions to locate offices and regional headquarters.
 83% felt that cultural vibrancy was an important or very important factor in evaluating the satisfaction of their stay.
 78% felt that cultural vibrancy was an important or very important factor in considering their personal choice of location.

72% cited the cultural experience as an important or very important component in their description of their residency in a city to family/friends/colleagues.

The report recognized that the 'knowledge economy of the future is expected to comprise many highly mobile talented individuals. Given our intention to attract such knowledge workers to contribute to our economy, we need to be mindful that these people are likely to gravitate towards environments that are vibrant, creative and stimulating. The cultural and creative buzz of a city is not easily quantifiable. A city's reputation for having such a buzz is most credibly spread through personal contacts and informal channels. In other words, we will have to invest in more than rhetoric in creating a culturally vibrant Singapore that other cities will use as a benchmark. Our arts and culture have the potential to help us project Singapore's "soft power" in the global marketplace'. 'By positioning Singapore into a global arts hub that welcomes international and regional collaborations, and by promoting Singapore as an ideal base for international arts businesses interested in touring arts events to Asia, we can reinforce the concept of Singapore as the Gateway to Asia, not only in the area of culture, but in all other fields as well'. 'By calling for a Renaissance Singapore, this is not an attempt to replicate the conditions of post-medieval Europe. Rather, it is the spirit of creativity, innovation, multi-disciplinary learning, socio-economic and cultural vibrancy that we are trying to capture'. The vision was a projection of the type of Singapore person, society and nation that Singapore can aspire to. This is seen as a society, where people are at ease with their identity and that encourages experimentation and innovation, whether it be in culture and the arts, or in technology, the sciences and education.

'The Renaissance Singaporean will be an active international citizen with a reputation for being dynamic, creative, vibrant, aesthetic, knowledgeable and mature. Singapore will be an international centre for arts and arts-related activities, similar to its status as an international centre for communications, finance and commerce. Plugged into global networks our industries will remain competitive in the global economy with the help of cutting edge research and development that is supported by a creative culture. The "Made in Singapore" label will gain a reputation for technologically advanced, aesthetically designed and creatively packaged products and services. Artists in Singapore should not only engage in parochial themes that are relevant to Singaporeans, but should be able to speak to a wider international audience'.

The role of culture and the arts was seen as central to this vision of Singapore as a renaissance city. It envisaged dedicated arts precincts, the development of the creative industries and cityscape dotted with cultural facilities with international reputations and the aim of matching Hong Kong and Melbourne within 5 years.

The recommendations of the report fell into six key strategies:

- Develop a strong arts and cultural base.
- Develop flagship and major arts companies.
- Recognise and groom talent.
- Provide good infrastructure and facilities.
- Go international.
- Develop an arts and cultural 'renaissance' economy

From rhetoric to reality

The Renaissance City concept was theoretically strong and many subscribed to its intentions. Although the report highlighted increases in investment in a wide range of areas the reality has not matched the words. These included increasing resources for arts education, to further spending on cultural facilities to developing managerial skills, as well as schemes to foster fresh talent, increasing expenditure for festivals and events and the wider promotion of Singapore as a creative place.

The implication of the Renaissance City strategy would be a completely different way of operating and this has not yet occurred. The notion of a creative city implies a level of openness that potentially threatens Singapore's traditions of top-down action with the censorship laws proving a particular barrier to imaginative action that is too critical. Nevertheless this issue is at least being openly discussed for the first time. An amusing instance that shows how Singapore's traditions are etched into the mindset is when the deputy prime minister in approving of the initiative stated that Singapore needed some creative quarters and they would suggest where these might go. The local artistic community is especially critical of the emphasis to import world stars to perform in Singapore without a parallel focus on developing indigenous cultural creativity. They believe their scope for action remains contained

The physical infrastructure has undoubtedly developed, but many feel that the strategy bears insufficient relationship to what the National Arts Council and government has actually done or operates. Some argue that the strategy has become more of a public relations exercise with the hand of the Singapore Tourist Board too strongly present. Over the last 18 months the government has begun to re-assess its economic and social policies in a comprehensive manner. The government has set up 20 task

forces from education, to technology development as well as culture. It appears that now the idea of a 'creative culture' and 'creative capital' is being taken seriously even to the extent of examining fundamental issues such as the censorship laws. A discussion has now emerged within the artistic community as to how developing the creative industries can in fact link to wider creativity issues, which impacts on how the educational system works. Yet the cultural community remains worried that creative capital will be driven by a purely economically driven model. Their focus is on how the cultural ecology of Singapore can develop more deeply – an approach that takes time rather than the 'sledgehammer approach' that addresses hard infrastructure.

The critics are apparently having an impact and notions of 'soft infrastructure' are being taken more seriously, which involves connecting Singapore more strongly into the global cultural scene such as through conferencing to engender a higher level debating culture.

Conclusions

Whilst Singapore has applied the recognized repertoire of culture and renewal – icon structures, global branding and the talent agenda – its effective focus is within the Asia-Pacific region and in particular its competition with the relatively declining Hong Kong and rapidly emerging Shanghai. Both cities are using culture more forcefully in their urban development strategies. For example, Hong Kong recently set up a heritage commission to seek to exploit its few remaining assets and is undertaking a major review of its cultural industries. Its urban policy division is beginning to see 'culture' as a tool in its battle with Shanghai.

4. Toronto

shedding vestiges of the British system to become a global economic and cultural core city

The city of Toronto is not only the largest city in Canada but one of the largest and most economically vibrant in the whole of North America. Whilst not the political capital of Canada it is without question the economic engine of the country and its primary interface with the global economy. As such, it might not at first appear as a useful comparator for English core cities. On closer inspection, however, uncanny resemblances and parallels seem to emerge at every turn, right down to the adoption of the same words and phrases to describe the obstacles and opportunities which the cities face.

Toronto is a city which has been shaped by a very British approach to municipal governance and whilst Canada may be a federal state there are still relationships and tensions between the local and the centre which will be recognisable in England. What makes the Toronto case study interesting is the recent history of its struggle to reinvent itself as a multicultural global city and financial capital, through shedding those aspects of its cultural heritage and governance structures which constrain it, whilst holding on to those which enhance its competitiveness.

Background

Toronto, with a population of 2.5 million, is the capital of Canada's most economically active province of Ontario. It is the 5th largest municipality in North America and one of the most diverse, with 48% of its population being immigrants, speaking over 100 languages. It is Canada's financial capital with North America's third ranking stock exchange and has over 80% of Canada's foreign banks, law, R&D, advertising, ICT, bio-technology and new media companies. The City Council has a budget of £2.5 billion and has a remit and structure which will be familiar to British cities. It is a cultural centre with the largest English-language theatre concentration after London and New York, the third largest film and TV production capacity in North America and there over 16 million tourist visits per year. It also made an unsuccessful but creditable bid to host the 2008 Olympic Games. The arts, heritage and creative industries contribute about £3.5 billion in GDP and account for over 190,000 jobs in the city³¹

³¹ Arthur Andersen Corporate Finance. *The Economic Importance of Culture to Toronto, Final Report*. April 2001
COMEDIA 2003

Toronto as a core city

Perhaps the most significant development in recent years has been the creation, in 1998, of the Greater Toronto Area (GTA) from the amalgamation of seven former municipalities. Whilst being very unpopular at the local level, it was seen as a necessary precondition for positioning the city in a new global competitive environment. Toronto regards itself as being in direct competition with cities such as Sydney, San Francisco and Brussels. The years since 1998 have been an uneasy period of adaptation particularly in the forging of new relationships between the city and provincial and national government. There is a strong body of opinion, articulated by the Toronto Board of Trade³², that these relationships remain unequal and to the detriment of the city. It complains that in 2000 the city contributed £8 billion in revenues to the national exchequer whilst receiving only £5 billion in government expenditure, and that this fiscal imbalance has operated consistently over the last 20 years, in stark contrast with the relationship between the government and the rest of Canada. Whilst less pronounced, the city has a similar relationship with the province, leading to complaints that Toronto is being treated as a milch-cow for the rest of Canada which will ultimately be damaging for nation, province and city alike.

In a phrase which will be familiar to the English core cities, Toronto argues that it is being expected to compete in an increasingly challenging global market-place 'with its hands tied', particularly with regard to the high level of federal taxation and its inability (in comparison to many competitor cities) to raise and keep more revenues locally.

The role of culture

Since the formation of GTA there has been a fresh look at culture and its place within Toronto's overall competitiveness. The common perception of the city's cultural policy prior to 1998 was of a city fighting a losing battle to maintain a large infrastructure of traditional facilities for a dwindling number of users and with diminishing attractiveness to tourists. Budgets for culture had been reduced annually on the assumption that the shortfalls would be met from increased corporate sponsorship. But although Toronto's business sector has been growing this has not been forthcoming because, it is said, business does not share the civic responsibility of its American counterparts, but nor does the fiscal and incentives regime offer sufficient encouragements. Major cultural agencies

³² Toronto Board of Trade. *Perceptions of Toronto's Competitiveness: A Survey of Senior Executives*, September 2001
COMEDIA 2003

such the Canadian National Opera, National Ballet and Toronto Symphony Orchestra have seen their revenues shrink by 20% in a period in which the city economy was growing by 40% and accumulate deficits totalling £5 million

Even in the early years of GTA the downward spiral of cultural economy continued as entrenched spending patterns were difficult to reverse. However, a powerful alliance of local government, business and cultural interests have now come together, driven by the recognition that culture is both a cornerstone of the future economic potency and the quality of life which underlie Toronto's competitiveness.

New York spends \$63 per person every year on culture. Vancouver, which is half our size, spends \$21 per person. Toronto spends on culture the equivalent of six adult subway tokens per person, or \$11 per capita a year.³³

Probably the most powerful factor influencing the change in attitude was Toronto's bid to host the 2008 Olympic Games. The city is considered to have prepared a very strong bid which was defeated by factors beyond its control (ie a feeling that it was 'Beijing's turn'), and which came ahead of both Paris and Istanbul. The bid obliged the city to see itself through the eyes of outsiders and also through the eyes of its many diverse citizens who had previously been largely excluded from the city's cultural vision of itself.

Creative City initiative

The corollary has been a new appraisal of both the hard and soft cultural infrastructure which the city needs to maintain its claims, not just as a financial hub but as a 'well-rounded' global player. Firstly, Toronto has sought to evolve a new cultural plan and rebrand itself through 'The Creative City' initiative³⁴. The plan represents a new approach to culture attempting to knit the arts, sport and heritage into a broader civic culture which is seen as the basis of both community cohesion and economic vibrancy³⁵. Many of its themes are already extremely familiar to the reader of this report (such as the creation of cultural districts and creative quarters, flagship events, a high profile for public art, better projection and interpretation to visitors, and investment in neighbourhood cultural activity). However, what makes Creative City of particular interest in the context of this report is the emphasis on new policies for financing and managing culture.

³³ The Creative City: A Workprint. *Toronto City Council, April 2001*

³⁴ <http://www.city.toronto.on.ca/culture/creativecity.htm>

³⁵ This image of the city is best summed up by Sir Peter Ustinov who described Toronto as being like New York managed by the Swiss.
COMEDIA 2003

What should the role of the City government be in the Creative City? Should the City be the owner in perpetuity, or should it be the incubator and facilitator, starting things off and then handing them on to private parties or non-profits organized by the community? How are we to deal with our budgetary limits when new money is needed now and we don't have it?

Can we raise new funds from new sources other than the Property Tax? Could new funds be generated for the enhancement of public culture and heritage through creative partnerships with private developers? Could the City encourage them to include in projects new performance venues, rehearsal space, community art centres, galleries and museums? Should the City give density bonuses for floor space used for nonprofit arts and cultural facilities and permit density transfers from heritage buildings being used for arts purposes?

Among our competitors there are many methods for raising money that we should investigate... endowment funds and cultural trusts... lottery revenues. Could the City establish a Creative Development Agency to sell to the public low interest Creative City bonds, whose proceeds would be invested in creative projects? How do we fund turning our cultural centres into centres of The Creative City? All these questions really boil down to one: how do we transform ourselves into a productive, creative, attractive global city with a sharply delineated, vital identity?³⁶

Thus we should understand Toronto as a city which, whilst it may not have all the right answers, is certainly asking all the right questions and with a clear idea of where it should be looking.

Physical developments

The physical manifestation of Toronto's reinvention has been a comprehensive reappraisal of its waterfront. Toronto has a large water frontage on Lake Ontario, which until the 1970s was largely devoted to industrial and port activities. In 1973 a waterfront park was constructed and to fund it a wall of high-rise condominiums was built, creating a largely privatised domain. Over time, this has come to be seen as a false start and by the late 1990s a new approach to the waterfront was being called for, including a large public and cultural element.

If we want to know where we're going, we should start with what's there, so we grow out of where we're coming from. We need to invest it with its history, make an inventory of what exists, its relative values, and find out how to evoke that past. Most of us are immigrants. This can be a binding force if we understand that this is not a place that just happened yesterday.³⁷

³⁶ *The Creative City: A Workprint*

³⁷ Jeffrey Stinson, University of Toronto, quoted in *On the Waterfront* (2001)
Toronto City Council, Culture Division
COMEDIA 2003

Once again, the impetus for action was the Olympic Games bid, which identified the waterfront as the location for 17 venues including a 100,000 seat stadium, and the athletes' village. The importance of culture in the infrastructure and legacy of the Games was emphasised:

There was a time when the cultural component of the Games sold as many tickets as the sports. The challenge to us is to return to those days, and to think of the Olympics as a catalyst to the Creative City.³⁸

The plan included designation of the Eastern Waterfront as a cultural neighbourhood with the following guiding principles:

Whatever new buildings or offerings Toronto creates should not duplicate what exists elsewhere in the world. You've got to have something you have to go to Toronto to see. But on the other hand we should not worry about tourists first. If Toronto is enthusiastic, the tourists will follow.³⁹

Of course, the Olympics bid did not succeed, so the challenge for Toronto has been whether it can maintain its vision and commitment under diminished circumstances. Most recent evidence would suggest that it can. A revised plan for the 800 hectare area of the Central Waterfront⁴⁰ was drawn up, with proposals for 23 major projects, 40,000 housing units and 35,000 jobs. In November 2002, the plan was chosen ahead of 70 rival projects from across the world to receive the Excellence on the Waterfront Award. It remains to be seen how much of the original vision for culture and sport will be retained, but the omens would appear to be good.

Competing on Creativity

A final point to be made about Toronto is the importance of cultivating a close relationship with regional government in building a joint competitiveness strategy. Notwithstanding ongoing debates on fiscal matters referred to above, it would appear that the province of Ontario and the city are now working to the same outward-looking agenda on competitiveness. One example of this is the establishment of the Institute for Competitiveness and Prosperity in Toronto⁴¹ and in particular, a recent report commissioned by the Institute, *Competing on Creativity*⁴². The

³⁸ Jeff Evenson, Special Advisor to the 2008 Olympic Bid Committee, *op cit*

³⁹ *ibid*

⁴⁰ Making Waves: Principles for Building Toronto's Waterfront, part 2, http://www.city.toronto.on.ca/waterfront/waterfront_part2.htm

⁴¹ <http://www.competeprosper.ca/>

⁴² Meric Gertler, Richard Florida, Gary Gates and Tara Vinodrai. *Competing on Creativity: placing Ontario's cities in North American context*. November 2002. Ontario Ministry of Enterprise, Opportunity and Innovation/ Institute for Competitiveness and Prosperity
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report is one of the first attempts to apply the work of Richard Florida outside the United States. It considers factors such as incidence of high tech employment, prevalence of artistic and creative jobs, cultural diversity and higher education and ranks Ontario's cities against each other and their counterparts south of the border. The report concludes that in most respects, Ontario's cities (and Toronto to the greatest extent of all) exhibit ever greater correlation between creativity and competitiveness than do American cities, and what is particularly notable about Canadian cities is their strong social diversity and artistic creativity.

Conclusion

Toronto is a city which the English core cities should observe closely. Whilst exhibiting some of the characteristics of a national capital city, its British heritage also means it faces many of the same governance and fiscal issues as the core cities in adapting to globalisation. It has experienced many of the same dilemmas of having to radically rethink the place and the funding of culture and also the highs and lows of the competitive bidding process. It is now developing a subtle and sophisticated understanding of culture within a broader process of urban and civic renewal through a process of self-evaluation and outward scanning and benchmarking which would repay close study by English cities.

10. The Knowledge Base

This section represents both a summary of ground which has been covered but also an assessment of what has not been covered. It can be summarised as:

What is known, what is not known, what can be known, what cannot be known?

We know that certain events can make cities more competitive and there is a hierarchy with the Olympics at the top, followed by events such as the football world championships. For cultural events we know that sustained, long term investment in festivals that ultimately brands a city has positive economic benefits and that internationally biddable events like the European City of Culture can have positive long term outcomes. We know that all of these have important tourism impacts.

The path breaking work by CABE has given us a much stronger evidential base to understand the multi-faceted impacts of good design in buildings and the public realm which we already knew instinctively.

Methodologically advances in economic impact evaluation effects has enriched the discipline beyond facilities or events impacts on direct, indirect and induced spending to include a sharper understanding of the public profile and place marketing effects. This means assessments can be made beyond the effects of direct spending by visitors. Furthermore an emerging focus on judging legacy effects will deepen knowledge.

We know that the icon building based strategy is very risky and expensive, we only know what is an icon ex-post. The Millennium strategy was an experiment in assessing icons - some succeeded and many failed. There are no guarantees that a building will create impact. The major reason for failure is not balancing attention to the content and programme with the building project. Relatively speaking cultural activities are low risk investment, because if they fail they can be stopped, there is no long-term maintenance issue as with buildings.

What is not known beyond the tried and tested sports or events is how to predict which new events will have an impact. We do not know whether any world championship or cultural event that one can bid for will have a major impact. The badminton world

championship in Glasgow did not have a positive balance, however in Asia it has a completely different impact. Just because there are big cultural and sporting events does not necessarily mean all of them are economic opportunities. Judgement remains key and often non-commercial criteria will have to come into play.

The precise connections between retail health and culture and leisure is only anecdotally known and there is hardly any material from within the academic research community. However, the fact that major developers connect the two is evidence of its effectiveness as they would not develop these facilities otherwise. This has been partly measured through the work around the 'experience economy'. We also know that major stores are now competing through iconic architecture as with the new Selfridges in Birmingham designed by Future Systems.

In principle, there is no methodological obstacle to sorting these evaluation questions out. Increasingly we know how to move beyond qualitative data to measure intangibles or soft factors. The techniques to make the soft quantitatively hard have become more sophisticated. Quality of life studies in particular are beginning to make advances. Once this is addressed there is hardly anything in relation to cultural impact that could not be known.

In order to assess impact from a 360% perspective further work should be undertaken. For example, more detailed work on the positive and negative effects of property price changes; effects on footfall and vitality; effects on new business start-ups and changes in the tax revenue base.

The biggest gap is in strategic management information at a city level and the core cities lag behind good practice in European, Australian and American cities. Each core city should have a set of benchmarks and indicators to match its aspirations which needs to be monitored regularly to assess which direction a city is moving in. They can then begin to assess causal relationships, but this takes time. In particular there should be more sophisticated cultural policy monitoring and the opportunity exists for the core cities to do this as well as set up a best practice observatory

11. Recommendations for Policy and Action

1. Strategic Investment Compacts

Government should co-ordinate a formal strategic process through which key departments and national cultural agencies negotiate formal compacts with Core Cities, establishing a framework for determining investment decisions.

2. International Events Strategy

Government and the Core Cities should jointly manage a 10 year forward scanning process of major international events, expos, sporting competitions and trade fairs; and should bid jointly to attract, locate and run them in the cities.

3. Headquarters Strategy

Core cities should seek to attract international and supranational cultural agencies and trade bodies to locate their headquarters and Government should lead the way by relocating the headquarters of national cultural agencies.

4. National Centres of Excellence

Building upon existing local strengths in the creative and leisure industries, government should designate cities with national centres of excellence and invest in R&D, technology transfer and initiative to capture international market share.

5. An LPSA for Drawing Power

A new Local Public Service Agreement should be introduced for Core Cities to encourage programmes which build regional competitiveness and Drawing Power

6. A Core City/Region Cultural Fund

A new city/regional cultural fund, administered by the DCMS in partnership with RDAs should be established to encourage programmes which develop urban critical mass alongside cross-city/region co-operation.

7. Competitive Impact of Urban Design

The Core Cities should initiate a joint project with CABE to evaluate the importance of good design and vernacular architecture in enhancing international city competitiveness.

8. New Discretionary Revenue Streams

Given compelling evidence from overseas on the value of local financial autonomy, new pilot schemes for raising and hypothecating taxes and other revenue for local cultural purposes should be trailed in the Core Cities.

12.Recommendations for Further Research

Understanding the Impact of Culture on Competitiveness and Drawing Power

A major study should be made into the efficacy and transferability of the work of Richard Florida and other 'soft locational factor' theories to the UK; and also into methodologies for quantifying the impact of cultural investment on city land values, property prices, retail vitality, business start-ups and increases in the tax revenue base.

The Study should be overseen by a public/private sector consortium which might include:

- Arts and Business
- Arts Council of England
- Commission for Architecture and the Built Environment
- Confederation of British Industry
- Donaldsons
- English Heritage
- Lend Lease
- Local Government Association

APPENDICES

Appendix 1:

Olympic references

Key studies

<http://www.business.nsw.gov.au/facts.asp?cid=309>

Price Waterhouse Coopers study on the Sydney 2000 Olympics

<http://www.selig.uga.edu/forecast/olympics/OLYMTEXT.HTM>

Study on the impact of the Atlanta Olympics 1996

http://blues.uab.es/olympic.studies/pdf/OD006_eng.pdf

Olympics study centre in Barcelona with link to Barcelona Olympics 1992 impact study

http://www.geocities.com/olympic_seminar7/papers/pyun.htm

Impact study on the Seoul Olympics 1988

[www.treasury.nsw.gov.au/pubs/trp97_10/append_a.htm#a3 other studies](http://www.treasury.nsw.gov.au/pubs/trp97_10/append_a.htm#a3_other_studies)

Reports of a series of studies undertaken by KPMG comparing the impacts of various Olympics

http://www.blackwellpublishers.co.uk/images/Journal_Samples/JUAF0735-2166%7E23%7E2%7E079/079.pdf

Mega events analysis

Culture and the Olympics

Enhancing sports marketing through cultural and arts programs: the Sydney 2000 Olympic Arts Festival By Beatriz García

http://www.geocities.com/beatriz_garciag/

Article published in the "Sport Management Review", (vol. 4, no. 2), p. 193-220 discussing the potential for sports marketing for sporting events associated with arts and cultural events.

Forum of the IOC and its cultural policy

<http://www.thesportjournal.org/VOL3NO1/Current.htm>

Monographic issue of "The Sport Journal" (vol. 3, no. 1, Winter 2000) on the Forum on Olympism and Culture held in Lausanne. Includes contributions on various related themes such as the Cultural Olympiad, the relationship between culture, education and the arts.

Let the arts begin: the Cultural Olympiad By Michael Terrazas

<http://gtalumni.org/news/magazine/sum96/CultOly.html>

Article published in the "Georgia Tech Alumni Magazine Online" (Vol. 73, No. 1, Summer 1996) on the Cultural programme for the Atlanta 1996 Olympic Games.

Managing Olympism as "Sport + Art"

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<http://www.artsmanagement.net/knowledge/>

Interview with Raymond T. Grant, Artistic Director of the 2002 Olympic Arts Festival in Salt Lake. The article discusses issues on Olympic ideals and the arts, arts management, administration and the challenges for an Olympic arts programme.

The Arts grab some of Atlanta's Olympic spotlight: the 100th Olympic Games: Atlanta's 1996 Cultural Olympiad Arts Festival By Robin Burnosky & Debra Good

<http://arts.endow.gov/artforms/Multi/Olympics.html>

Text published by the National Endowment for the Arts (United States) providing an overview of the history of Cultural Olympiad and describing the Atlanta'96 Arts Festival.

The Olympics and east/west and south/north cultural exchange

http://www.olympic.inje.ac.kr/con_html/con_1_int.htm

Online version of the book published in 1988 compiling the papers given at the First International Conference on the Olympics and East/West and South/North Cultural Exchange in the World System. Includes more than 30 papers on the world systems and cultural exchange, cultural performances, the Olympic Games in historical and cultural perspective and the Seoul 1988 Olympic Games.

Toward One World Beyond all Barriers

http://www.olympic.inje.ac.kr/con_html/con_2_int.htm

Online version of the book published in 1989 compiling the papers given at the conference organized as one of the commemorative activities of the first anniversary of the Seoul Olympics. . Includes approximately 70 papers covering the themes of cultural anthropology, physical education, communication, economics and international politics.

Internet sites

Cultural Olympiad 2001-2004

<http://www.cultural-olympiad.gr/>

Official site of the Cultural Olympiad for the Athens 2004 Olympic Games. Provides a general overview on its philosophy and programme.

History of the relationship between sport and culture

http://www.olympic.org/uk/organisation/commissions/culture/history_uk.asp

Information available at the IOC Commission of Culture and Education on the concepts of sport and cultural in the Ancient Olympic Games and the ideals for the Modern Olympics promoted by Baron Pierre de Coubertin.

Salt Lake City 2002: Olympic Arts Festival

<http://www.saltlake2002.com/>

Information on the arts festival associated with the 2002 Olympic and Paralympic Winter Games, available at the official web site of the Games. The Festival takes place between the 1st February and 16th March 2002.

The Cultural Olympiad and the cultural Olympic Games

<http://www.culture.gr/6/68/681/index1.html>

Information provided by the Hellenic Ministry of Culture on the Cultural Olympiad for the Athens 2004 Olympic Games. Includes an overview of cultural programmes in the Olympic Games.

Institutions

Commission for Culture and Olympic Education

http://www.olympic.org/uk/organisation/commissions/culture/index_uk.asp

The Commission, created in 2000, works on strengthening the links between the sports movement and culture, and developing the cultural programme at the Olympic Games. Its web site provides information on Pierre de Coubertin, Sport and Culture in Ancient Greece, the International Olympic Academy, etc as well as the list of members.

Centre for the study of the Olympics

Centre d'Estudis Olímpics i de l'Esport

<http://blues.uab.es/olympic.studies>

Established in 1989 at the Universitat Autònoma de Barcelona, the Centre organises conferences, courses and undertakes research projects on various aspects related to the Olympic Games and sport. It has a Documentation Centre specialised on the Olympic Games, specially the Barcelona'92 Games. Since 1995, the CEOiE manages the International Chair in Olympism.

Centre for Olympic Studies, UNSW

<http://www.arts.unsw.edu.au/olympic/>

Established at the University of New South Wales (Australia) in 1996 for the purposes of co-ordinating, enhancing and publicising research on the Olympic Games in a wide range of diverse areas. The Centre has organised various academic activities and has been involved in many research projects, specially related to the Sydney 2000 Games. Its documentary collection includes archival material from SOCOG.

Centro de Estudios Olímpicos y de las Ciencias del Deporte 'José Benjamín Zubiaur'

<http://linux0.unsl.edu.ar/~squirolga/>

Established in 1996 in Argentina, the Centre aims to promote research on the Olympic Games and sport, focusing in Latin America, and to organise courses in order to promote Olympic and sport values.

Centro Italiano Studi Olimpici Sportivi

<http://www.ipbase.net/cisos/>

The Centre was founded in 1998 in order to promote Olympism and the Olympic ideal. Since then, it has organised academic and educational activities on the Olympics all around Italy.

Deutsches Olympisches Institut

<http://www.doi.org>

The Institute was founded in 1990 for the purposes of research and organisation of academic activities related to the Olympic Movement, as well as for consultancy support to the National Olympic Committee of Germany.

International Centre for Olympic Studies

<http://www.uwo.ca/olympic/>

ICOS, based at the University of Western Ontario (Canada), aims to encourage,

generate and disseminate research related to social and cultural aspects of the Olympic Movement. It organises symposiums on Olympic research and edits the journal Olympika.

International Research Academy for Olympics and Intercultural Studies

<http://www.uwo.ca/olympic/>

Centre created at the Inje University with the objective of providing support to Olympic scholars of Asia and to approach Olympism with a new perspective based on Asian culture. Information on the activities of the centre as well as downloadable publications are available at its web site.

Olympic Museum and Olympic Studies Centre

<http://www.museum.olympic.org/>

Belonging to the Olympic Museum Lausanne, the Centre was created in 1993 in order to preserve the memory of the Olympic Movement and co-ordinate and promote research, teaching and publications connected to Olympism. It is the world's biggest centre for written, visual and sound information on the Olympic Movement and the Olympic Games.

Ukrainian Olympic Research and Education Centre

<http://www.uni-sport.edu.ua>

Located at the National University of Physical Education and Sports of Ukraine, the Centre organises educational, scientific and research activities on Olympism. It also has a library specialised on the history of the Olympic Games.

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Appendix 4

Possible indicators of urban drawing power

The objective of this section is to outline which indicators could be used to form indices of drawing power in order to assess the health of cities in economic, social, environmental and cultural terms.

For each indicator we have noted whether it is primarily economic through the symbol E, social through the symbol S, cultural through the symbol C and environmental through the symbol EN. The source of the data is indicated after each indicator, when this is national the Census, Experian or OCPS might be noted; where 'local' is indicated, this means that the data is primarily gathered by the local authority and other locally based organizations. In a few cases, such as for crime where regional bodies, such as police forces, are responsible for data gathering, this is noted as 'regional'.

1 Background Data:

In order to establish what kind of place a city is some basic background data is necessary. This includes:

- | | |
|--------------------------------------|---------------|
| • S Population | Census |
| • S, C Socio-demographic profile | Census |
| • S Quality of housing | Partly Census |
| • S Mortality rates | National |
| • S Morbidity rates | National |
| • S Number of single parent families | Census |
| • E Employment by sector | Census |
| • E Unemployment | Census |

2 Critical mass - Indicators include:

- | | |
|---|----------|
| • E Density of communications measured by telephone calls and fax | BT |
| • E Range of shopping provision | Experian |

• S Size of catchment area	Experian
• S Local student population in the city centre	OPCS
• C Percentage of the local population using the library service, the local theatres, adult education classes, cinemas, restaurants, etc	Partly TGI
• S Residents living in the city centre	Local
• E, C, S Annual numbers of people visiting the city; average length of stay	Local
• E Annual number of conference delegates in city	Local
• C Annual number of cultural events, with breakdown by category and by month	Local
• C Presence of festivals or other cultural animation projects, duration and attendance	Local
3. Identity & Distinctiveness Indicators include:	
• EN Size of conservation areas	Local/English Heritage
• C Readership of local papers and audience levels for local TV and radio stations	TGI NSS
• E Presence and knowledge of local products	National + Local
• C Number of listed buildings	ODPM
• C Presence and popularity of recognisable city centre landmarks	Local
• E, C, S Ownership and structure of local media	National
• C Presence of local gastronomic	

traditions	Local
• C, S Levels of following of local football, rugby or other sports	Local
• C Presence and usage of local dialects	Local
• C, S Presence of, and participation in, historically rooted local community events	Local
4 Innovative capacity - Indicators include:	
• E Presence of R&D units	Local
• C, S Availability of grants for cultural innovations, civic and voluntary activism	Local
• E Presence of new technology companies and turnover	Local
• E Expenditure on R&D and new technology by local firms	Local
• E Presence of advanced research centres	Local
• S Presence of pilot schemes to solve social problems	Local
• EN Presence and funding of energy saving, composting and other schemes	Local
• C Presence and support for artists and experimental forms of art	Local
• EN, C, S, E Number of architectural and other competitions held in the city in last 5 years	Local
5.Diversity Indicators include:	
• E Proportion of locally owned or more generally 'independent' shops	via Experian
• C Availability of cinemas, theatres,	

wine bars, cafes, pubs, restaurants, and other cultural/entertainment/ meeting places	Experian/Gaod
• S Sociodemographic breakdown of population	Census
• E Proportion of second hand shops	Experian/Goad
• E Patterns of land ownership and land use	partly via Goad
• E Presence and size of markets	eg Serplan
• S Patterns of housing tenure	Census
• EN Types of vegetation and open space	Local
• EN Styles, ages and shapes of buildings	Local
• S..Type and size of ethnic communities	OPCS
• S, C Number of foreigners living in the city	OPCS
• E Presence and size of street markets, and types of specialism	Local
• EN, C Availability of spaces, including parks, waterways, squares, for a variety of activities including cultural animation programmes	Local
• S Presence of networks and fora for voluntary groups	Local
• C, E Number of non-British restaurants, delis, cafes, etc	Local
6 Accessibility Indicators include:	
• S Percentage of local residents living within walking distance of work and varied facilities for public social life	Travel to work survey
• E, EN Levels of use of public transport	Local

- EN Availability of car parking eg. Serplan
- E, S, C Number of and accessibility of advice services Local
- En Proportion of city as a whole and of the city centre that is pedestrianised eg Serplan
- E Presence of enterprise units, managed workspaces, incubator units Local
- C Availability of city or leisure cards, and levels of take-up; Local
- S Levels of car ownership OPCS
- S Availability of public toilets and public telephones via GOAD
- C Average costs of leisure centres, cinema, theatre, and night club tickets Local
- S, C Availability of concessions for students, unemployed, retired people in cultural and entertainment places and social services Local
- E Cost of car parks Local
- S Costs of getting in and out of the city centre on public transport Local
- S Percentage of local residents living in areas not adequately serviced by public transport (daytime, evening, late night, Sundays) Local
- S, C Frequency of public transport services including late night services Local
- EN Number of information points or tourist information centres Local
- S, C Estimate of cost of a 'night out', to include drink, food, night club, and transport to and from the city centre Local

7 Security Indicators include:

- S Crime rating by insurance industry Insurance co's
- S Survey data on fear of crime Local
- S Who commits crime, breakdown by age, sex, class, and where they come from Regional
- S Crime clear up rate Regional
- S Distribution of crimes by time of day and time of year Regional
- S Subjective sense of unease about about going out at night by residents Local
- S Presence and levels of membership of neighbourhood watch schemes Local
- EN Frequency of street cleaning rotas in the city Local
- EN Frequency of household rubbish collections Local
- EN Presence of graffiti.in the city Local
- E Quality of street lighting; dark areas; blind spots Local
- E Number of policemen active in the city at different times Local

8 Linkage & Synergy - Indicators include:

- E Percentage of residents in the catchment area using city centre for shopping CCN
- E Levels of foreign trade by local companies Local
- C, S Annual numbers of visitors Local
- C, S Presence of international

educational exchanges and twinnings	Local
• C Availability and take-up of public and private foreign language classes	Local
• E Levels of investment in city centre by firms based in hinterland	Local
• S Percentage of students using city education living in hinterland	Local
9 Competitiveness - Indicators include:	
• E Levels of disposable income	NSS and others
• E Shifts in multiple ranking	Hillier Parker
• E Annual rates of business formation for the last 5 years	Local
• E Level of vacancies (plus charity shops)	Experian/Goad
• C Presence and rankings of educational institutions	DfEE
• C Presence and rank of cultural facilities	Partly Arts Council
• E Rent level trends	Hillier Parker
• E Profitability of local firms and trends	CCN Business Info
• E Presence and numbers of regional, or national headquarters of companies and organizations	Partly CCN Business
• E Bankruptcy rates	Local
• S Social cohesion - racial incidents, riots	Local
• EN Air pollution levels	DoE/ Private sector
• EN Water quality for the city, and in local waterways	Waterboards, but usually confidential
• EN Noise levels	Local

- E Success in award schemes such as CABA National
- E Level of developer interest in the city centre. Local

10 Organizational capacity and leadership Indicators include:

- E, C, S Presence of a strategic plan Local
- E, C, S, EN Recognition for achievements National/Intl
- E,C,S, Presence of public-private partnerships in different areas Local
- S Turnout at local elections CCO
- E, S, C, EN Presence of city centre manager or equivalent structure Local
- E .Number and cost of projects developed by public-private partnerships Local
- S, C Levels of participation in community arts, architecture, religious groups and other community development business projects Local
- EN Presence and budget of urban design awareness programmes Local
- S Membership of political parties, trade unions and voluntary organizations Partly national
- S Number and levels of membership of local campaigns and pressure groups Local
- E, S, C, EN Presence of, and participation in, consultation procedures in the local planning process Local