

# Cultural economy, creative cities, and tolerance

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### Abstract

The cultural economy is becoming important in the course of the development of modern towns. The high importance of culture in the life of cities has already been well-known for a long time (J. Jacobs, R. Florida, D. Throsby and others), although earlier it had a supplementary or indirect role. At present, the earlier manufacturing firms are often replaced by the cultural economy in employment, capital investment and income production in the developed towns. There are several examples in Europe confirming this, where towns and regions with outdated economic structures are reorganizing their economies with cultural development. Local and regional politics can have a direct and greater effect on all this than on choosing the premises of transnational companies. In the present study I examine the role of culture in urban development and the importance of creative towns.

### 1. Introduction

During the formation of modern cities, the cultural economy – the creation of cultural products and the many forms of services in this area – is becoming increasingly important. The special significance of culture in urban living has been recognized for a long time, but it played a secondary or indirect role. At present, in modern cities, the cultural economy often displaces the former manufacturing industries in terms of employment, capital investment and revenue generation. There are many examples in Europe and North America, where the decline of cities with outdated industrial economies was successfully countered by improving their cultural functions, rather than with new industrial developments. Local and national governments could influence this better and more directly than the choice of sites by transnational mega-corporations.

This study does not wish to publish empirical results, but proposes a new research concept based on the realisation that the cultural economy is one of the most vigorously growing elements of the modern economy. It is a little researched, distinctive subtype of the metropolitan economic clusters. It is part of the knowledge-based society that has been developing for a quarter of a century, and it is incorporated in the market economy in a way that cannot be described clearly using its traditional terminology. It is not merely a phenomenon of the knowledge-based economy, where the innovation, research and knowledge content of products of traditional or cutting-edge technology is increasing in the manufacturing industries, when consumption of some of these products is based on cultural, rather than utilitarian factors, when some services carry cultural and symbolic meaning, rather than practical significance.

It is also obvious that the geographic location of the cultural economy is presently characterised by a strong urban concentration. Thus, it receives a prominent role in the economic competition and development programmes of cities.

In countries with advanced economies, the decline of cities with outdated industrial economies was countered by improving their cultural functions (including education and research), rather than with new industrial developments. Local and national governments could influ-

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ence this better and more directly than the choice of sites by transnational mega-corporations. There are many examples: the restructuring of the Ruhr area e.g. by establishing the Ruhr University in Bochum; conference tourism in former industrial cities in central England like Birmingham. Another example is Pittsburgh, which used to be a city of iron and steel a few decades ago, and half of the industrial employees lost their jobs between 1960 and 1980. Pittsburgh Cultural Trust, established in the early 1980s created 11 major cultural institutions in the city centre, and the city became the fourth biggest destination for cultural and arts tourism in the USA by the end of the 1990s. In Berlin, the research and development sector has played a key role in strengthening Berlin's urban attraction. After all, if the modern economy is knowledge-based, the institutions producing knowledge (in a broader sense) are obviously of primary importance, and their significance is manifest in the economy as well.

"Culture is a great business. It is one of the major sectors of the post-Fordist economic revolution, and the basis of countless city-renewal programs," as stated in a book by A. Scott, who is very perceptive in recognising regional phenomena.<sup>1</sup>

Based on the above, the research hypotheses are formulated, as follows:

- Cultural products and services constitute one of the fastest growing elements of the world economy, and should be included when studying urban economies;
- Planning the cultural economy and its role in employment, financial and capital circulation should be included in the economic development concept of cities;
- In addition to the traditional goals of cultural development, economic competitiveness, capital attraction and profit generation should also be considered.

## **2. A short History of the Capitalisation of Culture**

Our classic concept of culture is changing. In addition to preserving its special intellectual content, its environmental and economic connotations have strengthened.<sup>2</sup> It can invigorate the economy. It is a resource to be assessed and utilised.

Classical urban economists regarded culture as an external factor influencing rational internal decisions, to be ignored along with ethics and other human factors.

- Modern economic theory, built on the classic traditions, considers itself a rational science. It regards any factor that cannot be thus incorporated as irrational, and tries to ignore it. If this is not possible, such a factor is degraded as an 'environmental circumstance' or condition.
- Trade became an independent branch of science when it recognised the role and significance of environmental factors. Philip Kotler distinguished two large groups of decisions: 'unavoidable factors,' which must be accounted for, and 'uncontrollable' ones. Their role is important, so they are incorporated in the system, if only in the 'external environment.'<sup>3</sup>
- Contrasting the cultural or social and economic factors is typical of the traditional approach. When the foundations of the classic urban economic theory and cultural sciences were laid in the 18<sup>th</sup> and 19<sup>th</sup> centuries, this was done independently.<sup>4</sup> Economists defined their professional identity without regard to the cultural environment. Social scientists studying culture considered themselves modern scientists in the context of economic issues.

Traditional cultural theories, however, were wary of the rationalist economic and social, approach. The first significant paradigm change came in the 19<sup>th</sup> century, with the emer-

gence of empirical cultural theories. They could not only recognise, but also evaluate the effects of economic, social and cultural changes on one another.

Max Weber (1864-1920) discovered the community-building and economy-shaping role of culture as a by-product of his work in economic history and economic sociology. Through this, culture may even create new social and economic relations. He proved for the first time that culture, e.g. the Protestant religion, is capable of shaping a society and economy. While studying the 1895 tax returns of Baden, it became clear to him that citizens living and working under the same economic conditions, show different economic activities depending on their religious background. The taxable income of Catholics was higher than that of Protestants<sup>5</sup>. He states in the title of his book that there is a close relationship between 'the Protestant ethic and the spirit of capitalism'. Weber was interested in the economic and cultural consequences of the Protestant-Catholic relations. This is why he did not deal with the economic and cultural activity of the Jewish community in Baden. He looked for and found a spiritual and historic explanation in Protestant theology. Calvin knew about the Augustinian philosophy concerning predestination<sup>6</sup>. It was fertilized not only by the religious ardour of its believers, but because through it they showed that economic pursuits are pleasing to God. This opened the path of virtuous life and prosperity for not only reformed believers, but an increasing number of Protestants as well.

Every culture is capable of shaping the environment, people's behaviour and their attitude to money in its own way. In spite of this, not even modern theories of decision making know how to reckon with it empirically and effectively. Rather, they consider it an 'unprogrammable'<sup>7</sup> circumstance. Due to the needs of the practical economic life, creating conditions for 'programmability' became a topical challenge.

The economic nature of cultural content is similar to that of ethical content; it is considered external. It is worthy of capitalisation, so that, as a resource, its effect should not be completely spontaneous, and deliberate calculations would be possible. It typically influences the decision maker according to the extent of its economic and ethical content. Various cultural phenomena ( $C_1, C_2, C_3, \dots C_n$ ) can do this to different degrees, according to their cultural content. As a result, economic productivity is improved or reduced, and can be considered as a positive or negative externality in the calculations. This is not a new finding.

Culture has a strong motivational capacity. It affects economic conditions even when decision makers are convinced that they act purely according to economic values. They are influenced by their upbringing, their ethics, the moral expectations of their environment, their religious or other convictions. These are personal, and thus, sensitive issues. Some may assert that this effect on the economy is hypothetical, and empirical corroboration is impossible. Based on Smith, classical economists say that humans are rational beings. They are aware of their personal interests better than anyone else, and are capable of making sound economically rational decisions. This is a dogma that goes against everyday experience. We should consider that even 'pure' economic decisions may differ considerably, because they are made by people, rather than machines. People decide according to their personal knowledge, experiences, interests, value systems, i.e. their culture. 'Purely rational' decisions may only be discussed theoretically. In addition to 'rational' factors, people are always influenced by 'non-rational' factors that are external to the economy. Even the classics talk about 'pure rationality' as an expectation, rather than a reality. In his cultural sociology study, Weber talks about the economically active role of the human factor, regardless of values. If we want to assess the economic activity of the human factor and culture, we cannot digress far from this approach ourselves. The manner in which cultural

content is incorporated in the economic processes, and the micro and macroeconomic changes they generate should be determined.

The cultural background is detectable behind every economic decision. Thus it may have consequences that affect the fate of people and social conditions. This situation should be taken seriously by all economic decision makers. Otherwise they will see chaos even where they should not. Chaos causes repercussions on the economic conditions, and even on the decision maker. Many people point out that every crisis is followed by chaos, but few consider that the irrationality of originally ignored externalities and human cultural factors may be controlled. The culture, the human factor must be reckoned with behind every crisis and chaotic system.

In his classic 1997 study, J. Barkley Rosser points out that every chaos consists of a multitude of paradoxes. Every rational economist has linear expectations of pre-planned occurrences taking place as planned. The more he or she approaches things this way, the more chaotic the externalities become. On the other hand, if we try to reckon with externalities, we have to accept the dynamics of chaos, and adapt to it as a 'nonlinear dynamic.' "Many theoretical models have been developed in economics that are based on rational expectations, but induce chaotic dynamics at certain parameter values."<sup>8</sup>

It is still much simpler to calculate with linear relationships, because they can be described according to laws of balance. The interactions of small and large groups shape the powers that may be arranged into balancing rules and projected linearly. The Aristotelian justice model, the Walras-balance or the Pareto-type balances are typical examples of such models.<sup>9</sup>

In summary: the methods developed by classical economists back in the 18<sup>th</sup> century did not allow external conditions to be taken into account. They considered it frightening and chaotic, because they did not want to reckon with externalities, and could not calculate with chaos. They could not even accept Macroeconomic cycles until the mid-19<sup>th</sup> century. The necessity of government interference, which tends to obscure the 'pure economic conditions', was not introduced until the 20<sup>th</sup> century. The decades around the turn of the millennium shock the dogmatic believers of classic economic theory with new compelling circumstances, because culture, like any other human factor, turned out to have power to influence economic conditions. Financial life proved practically that ethics, morals and law should be paid attention to, despite the attempts of 'mainstream' economic science to ignore them. Neo-liberal scholars who believe in an antisocial market economy are the ones who still maintain that these are 'interfering factors'. Perceptive economists and economic planners exploit culture as a resource, and, if it emerges as a negative externality, they are not baffled, because they know its governing economic principles.

### **3. Culture as a Strategic Resource of Urban Development**

According to Richard Florida, social capital, tolerance, and the attractions of the natural and cultural environment will become the basis for urban development.<sup>10</sup> His vision is based on Jane Jacobs' pioneering concept that a multi-faceted and multi-purpose swirl of streets, parks and city centres is desirable.<sup>11</sup> Florida remarks that in most cases, local politics do not promote the emergence of 'creative cities', a 'creative economy' and 'creative classes' needed to fulfil Jacob's ideals of urban rejuvenation.

Many analysts criticized Florida's theory, because they thought his ideas promote gentrification, and that he prefers the proliferation of private property as opposed to economic and communal development.<sup>12</sup>

Jane Jacobs' 'lively' town was born partly as an answer to modern architecture and partly to the reigning urban planning concepts of the 1950s. Jacobs lines up many arguments opposed to this model, and shows how the underutilisation and lifelessness of urban spaces affects the lives of streets, parks and city centres. Jacobs discusses the social costs of the isolation and concentration of cultural resources in 'cultural and civic centres' after World War II, calling it 'tragic.'<sup>13</sup>

Today, the cultural development of cities focuses less on building the cultural 'campuses' criticised by Jacobs. Cultural programs are easy to package and sell both to the communities and to tourists as well. What is missing from cultural development plans programs is the evaluation of the everyday cultural lives of local communities.

What are the greatest possible errors?

- Cultural developments focus their energies and cultural resources increasingly on downtown businesses and cultural regions; the values of local communities remain hidden. Globalised culture presents itself in the form of shopping malls and Multiplex theatres.
- The cultural assets and infrastructure of the city do not fit the cultural history and internal needs of the local community.
- 'Culture organisers' are inadequately prepared and have a narrow political focus, mostly due to existential reasons.
- A chasm exists between cultural policy decisions and the actual cultural needs of the local communities. In other words, cultural needs have been successfully merged into the political environment.

The economist David Throsby points out that cultural capital fuses the two most important sustainability criteria, environmental and economic factors. Sustainable economic and environmental development should be in such a symbiotic cooperation that neither causes deceleration or stagnation. They should induce processes that support the renewal of both the ecosystem and the society.

He defines six criteria for creating them:

1. *Material and non-material well-being*: producing goods and services that offer both economic and cultural values for the consumers.
2. *Creating equilibrium between generations in utilising the goods*: we should act in a way that we maintain equilibrium among different generations in terms of using and exploiting resources. We should strive for a dynamic equilibrium. A use will be found for all traditional capital components, including cultural capital; the question is how much will each generation profit from it, and how much of it will be re-created? If a generation uses more than it creates, then the next generation will have less cultural capital left, and will have to produce more for themselves.
3. *Fair behaviour in utilizing values and resources*: all generations have a right to use them, but this right should be exercised with self-restraint and fairness. Thus, the use of cultural capital does not mean its total exhaustion.
4. *Sustainable diversity, cultural variety*: the better the cultural diversity, variety, and use of resources, the more opportunities are created for their renewal and cultural 'multiplication.' The variety offered in culture and arts today creates values and richness in the future.

5. *The principle of caution:* decisions should strengthen the basic variables and basic resources and not generate irreversible processes. Since the future is intangible, caution is one of the most important criteria.
6. *Sustainability of the culture system:* the system and system variables should be understood, and synergic energies found. Whatever systems are discussed, including the cultural economy, there is always some overlap and some co-operation between the systems and sub-systems. Neither can exist without the other. Ignoring this makes no sense and results in an unnecessary outflow of resources.

The tasks of cultural politics may include reducing the number of short-term and temporary solutions, strengthening the main lines of power, and eliminating harmful self-inducing processes before they become dominant.<sup>14</sup>

Practice shows that in Europe, culture is regarded as a strategic resource of cities, and it plays an important strategic role in the 'knowledge economy.'<sup>15</sup> The direct influences related culture gain increasing weight in the promotional strategies of cities. With the rise of global tourism, towns place ever more importance on the advancement of cultural tourism.<sup>16</sup> They realised that skilled corporate employees expect a high level of education and cultural services when choosing their place of residence.<sup>17</sup> The significant value of culture in terms of the city's image has reinforced the increasing importance of image consciousness in the modern economy.<sup>18</sup> All of this can be regarded as a demand for the prestige of cultural capital,<sup>19</sup> which is similar to Harvey's observation,<sup>20</sup> who debates whether the consumption of arts and culture by the city elite is a form of economic and caste distinction. Since the competition of cities has strengthened, follower cities that copied attractions successful elsewhere, rather than applying strategies tailored to their own characteristics, have emerged.<sup>21</sup>

This role can be best defined by identifying the potential contribution of arts and culture to urban development.

Table 1: **Arts and Culture in Urban Development**<sup>22</sup>

Tasks	The potential of arts and culture
Reorganizing the business community	<ul style="list-style-type: none"> <li>• Promoting the strategic importance of cultural and creative industries based on intellectual capital in urban business communities</li> <li>• Supporting the development of new marketing and branding practices in existing and traditional businesses</li> <li>• Association and co-operation with existing and traditional businesses for improved commerce, supply, branding and consumption.</li> </ul>
The importance of quality of life and location factors in choice of site	<ul style="list-style-type: none"> <li>• The influence of personal and career factors in choice of site</li> <li>• Influencing the choice of business site, (site marketing)</li> <li>• The effect of internal investment decisions.</li> </ul>
Reducing 'suburban escape'	<ul style="list-style-type: none"> <li>• Making city centres more attractive places to live and work.</li> <li>• Improving the opportunities for evening and 24-hour business.</li> <li>• Stimulating the renovation of industrial, monument, and historic districts.</li> <li>• Expanding human and social capital – skills, trust, mutuality, net-</li> </ul>

Urban regions – not only locations	working. <ul style="list-style-type: none"> <li>• Creating busier and safer streets through ‘invigoration’ or similar strategies.</li> <li>• Developing a characteristic local or regional identity and product ‘brand’, like the creation of the Barcelona-Catalunya urban region or the Milano urban region. The urban region has always been the basic building block of economic innovation and added value.</li> </ul>
Demand for highly trained workforce Digital necessity: infrastructure and content	<ul style="list-style-type: none"> <li>• Provide range and quality of amenity to attract highly skilled, high value-added, and knowledge intensive workers.</li> <li>• Creating, exploiting and disseminating the ‘content’ of cultural and creative businesses</li> <li>• Creating a characteristic brand and niche for the urban area / urban region.</li> <li>• Creating synergies between ‘art’ and ‘technology’ in fast-growing sectors like entertainment software.</li> </ul>
The importance of groups and networks	<ul style="list-style-type: none"> <li>• Supplying the elements of the urban ‘critical mass’ and the opportunities and locations needed for creative networking.</li> <li>• Creating ‘non-functional’ and unofficial networks, like the ‘First Tuesday’ or ‘Café Culture’ initiatives<sup>23</sup> that aid inventors, manufacturers and investors in their networking and market development activity.</li> </ul>
Social inclusion	<ul style="list-style-type: none"> <li>• Demonstrating the positive relationship between cultural diversity and creative diversity</li> <li>• Ensuring that the urban culturing strategy does not merely result in middle-class settlement and ‘ethnic cleansing.’</li> <li>• Making streets safer and improving the selection offered in shops.</li> <li>• Increasing the diversity and experience of residents and pedestrian traffic in cities, which leads to increased demand.</li> </ul>

This is a long list, but it is practised in various forms in smaller and larger cities around the world, with strategic partners for improving city centres through culture and art.

#### 4. Towards Cultural Planning

Partly as a reaction to this situation, and partly due to the renewed interest in the living quality of cities, ‘cultural planning’ started penetrating the vocabulary of urban designers, local government officials, community artists and the civil organisations interested in the arts and cultural resources. This is a good sign, inasmuch as it indicates that the broadly defined cultural *resources* are now taken seriously in planning the environment. For example, the Australian Local Government Association includes cultural planning in its suggestions for Australian local governments in addition to economic, infrastructural, environmental and social planning. The directives for *Integrated Local Area Planning* facilitate the integration of cultural planning into social, economic, infrastructural and environmental planning.<sup>24</sup>

As a result, local government offices appoint cultural planners for creating ‘cultural plans.’ An example is the *Regional Growth Management Framework*, which defines the direction of cultural planning explicitly, along with many similar principles and action plans. Among others, a *Cultural Planning Handbook* may also be created.<sup>25</sup> A series of international conferences, workshops, and area planning seminars are needed on the topic of cultural planning.<sup>26</sup>

But what does this all mean? Caution is needed when answering this question. When we try to apply the logic of “add a new idea and stir well”, new ideas and thoughts often lose their effectiveness in practical application.

The thought was already born at the beginning of the 20<sup>th</sup> century, along with the urban planning movement. It is already found in Patrick Geddes’ work, the founder of the principles and practice of urban and regional planning in Great Britain. It is also included in *The City in History* by Lewis Mumford, one-time disciple of Geddes. Jane Jacobs also advocated this practice, especially in her work “*The Death and Life of Great American Cities*”, where she condemned the planning profession because it limits the opportunities for ‘spontaneous self-diversification.’ It is worth returning to the principles of planning, recorded by Patrick Geddes, which will be so essential in the revival of cities:

Let me list some of these:

- *Planning is not a physical, but a human science.* Geddes emphasized that all planning processes must consider the basic Folk-Work-Place trio of coordinates.<sup>27</sup> For this reason, planners must be not only drafters, but anthropologists, economists and geographers as well. They should know how people live, work and have fun, and how they relate to their environment. Unfortunately, planning became a mainly physical science that is concerned with land use, infrastructure and traffic. The practice has promoted this professional specialization in the two-dimensional urban environment design, and it does not worry about what actually happens inside the coloured rectangles. Tamás Lukovich has emphasized its importance in many presentations and articles, by highlighting the symbiosis and communication between urban spaces and the society.
- *Evaluation before planning.* Geddes emphasized that the layers of the city should be assessed by moving downwards, all the way to the oldest past, and then read upwards, continuously picturing history before our eyes.<sup>28</sup> We should be able to integrate the history, patterns and memories of the urban environment and its residents into the planning process. We need cultural mapping, a study of the memories, plans and values of the people, before we start planning.
- *Cities create their citizens.* During planning, the basic emphasis should not be on creating products and goods, but rather on ‘creating’ people and citizens. We must re-learn the components of the art of ‘citizen-forming,’ if our goal is not only urban, but *civic* renewal as well. The cultural lives of cities – the institutions, streets, programs, activities – play a crucial role in this, but only if we do not limit this to the spectrum of ‘culture as arts.’ Based on Ruskin, Geddes argued strongly that culture should turn away both from its ‘mentalist’ and its ‘aesthetic’ aspects and should develop a much more robust and active relationship, not only with the consumption of culture, but with its creation as well.<sup>29</sup>

Contemplating Geddes’ advice, and based on our own experiences we realise that cultural planning, in the words of Franco Bianchini, is “a complicated art.”<sup>30</sup> It may be superficial, hiding the very deep social and economic inequalities under a veneer made of



fun and entertainment. Misused, cultural planning can turn the most wonderful cultural centre of the world in a deteriorating city district, surrounded by deserted streets, minimum public transport, homeless families and closed shops. This is not real cultural planning.

A somewhat better, but still unsatisfying version of cultural planning dictates what should happen *after* the urban planners finish their job. Cultural planning may consist in beautification based on communal art concepts, the aesthetics of pastel and post modernity with some greenery. This is not cultural planning in the real sense of the term.

So what is the most effective definition? I suggest the following summary: cultural planning is the strategic and integral utilisation of cultural resources in urban and community development. Let me unpack this definition by examining the key terms:

**Strategic:** Cultural planning must be part of a larger, urban and community development strategy. It should have a connection to physical and urban development, economic and industrial development goals, to social justice incentives, recreational planning, residential and infrastructural development. It cannot come from a self-satisfied and exclusive notion that art, in and of itself, is good for the people and the community. Cultural planners have to create a bridge from their own interests and activities, to others involved in planning and development. For this purpose, they should have a real economic and development vocabulary: they must learn to speak in terms of 'leveraging.'<sup>31</sup> They must act as brokers who connect innovative resources to those who need them.

**Integral:** Cultural planning cannot be done after the fact. It is not additional. Cultural planners must convince the other designers that cultural planning includes lifestyle, the pattern and quality of life, its basic everyday routines and structure, shopping, work and play – *folk, work, place*. Not only streets and buildings, but the conjunctions of habits, desires, accidents and necessities – *folk, work, place*. Cultural planners should therefore be there and have their voices heard from the beginnings: the initial concepts of urban and strategic development, from the first signs of new residential and business development, from the conception of the new local industry development strategy. Furthermore, they should be present not as outsiders shouting from the wings, but as key players of the 'development coalition'. They must convince the public and private sectors on behalf – and with the support and sanction – of the community that they are planning these structures and rituals, as well as the scenes of their local lives at that point. This is why cultural planning should be integrated with the other planning processes, and not just appended later. Also, this is why more talents are needed in this area than provided earlier by the former community arts officer or worker. We need economists, anthropologists, and cultural studies specialists.

**Planning:** This should be taken seriously. Planning is the organisational basis from which all other functions originate. Planners create spaces. During their daily activities, people and communities form these spaces in a way that is often different from the original intentions of the planners. This is not some kind of a populist concept. Planners are still needed, but more importantly, their concepts must be broadened to provide an ethical corrective, based not on the drawing-board aesthetics of the utopian space and the master plan, but rather on research and consultation.

With this in mind, let me propose six guiding principles based on Garner<sup>32</sup>:

1. All needs of the community should be assessed, not just those assumed in the arts.
2. Planning should be looked at as a continual process, rather than as an occasional function.
3. Long-term plans should be set forth in a multi-layered strategic plan, and short-term plans should be in an operational plan.

4. Community involvement is a critical element of effective planning. This should not be done through the terrible methodology of 'communification' so fashionable today!
5. Within the planning process, there is a need to be both responsive and prescriptive to constituents regarding their needs.
6. It is crucial for cultural planners to understand the different segments the community is made up of, to maintain a dialogue, perform research within all groups, and provide a representation in various boards, committees and evaluation processes to promote cultural diversity.

**Cultural resources:** This is the final key word, and, in many ways, the most important, because this is the entity being planned. In many communities, for example, the most important cultural centre is actually a lavish church building, where they can meet, talk, dance, play, eat and of course pray together; (see *Far-East and urban Spaces* – T. Lukovich). For many young people and women, the most important cultural centre is the shopping mall. Elsewhere, the most important planning issue is creating residences that harmonize with the culture and fit the everyday needs of families. In Hungary, for centuries, the most important cultural resource was land itself. This is not merely an issue of ownership or land use planning, but planners of traditional mentalities, and sometimes urban planners are very hard to convince that the land, the place is much more than a thing to be zoned and re-zoned, developed and sold. It is very harmful when the master plan cannot convey the dense meaning, consisting of complex layers that people associate with land, and the perspective of the still *unoccupied* space. (The thoughtless destruction, alteration or poor utilisation of a place as a physical, social and emotional space *irrevocably* stops the next generation from practicing its inalienable right of leaving its own distinctive mark. There are many negative examples of this in recent history, in neglecting the complex principle of cultural resources in planning, and the accompanying private and public propagation of tastelessness.

Cultural planning should be based on the pragmatic principle that *culture is what counts as culture for those who partake in it*. This *can* mean contemplating an art object and it can mean walking down the street, sitting in a park, eating at a restaurant, watching people at work and so forth. This is much closer to an anthropological definition of culture as a 'way of life' than it is to an aesthetic definition of 'culture as art.' This is why we need to return to the complexity suggested by Geddes' simple triple formula of '*Folk-Work-Place*'."

To speak of 'cultural resources,' rather than being locked in a definition of culture as art, is intrinsically more democratic. It takes the realities of cultural diversity and pluralism into account better. It is more aware of the often intangible features of cultural heritage, and respects the simple fact of difference more. This is why my answer to the question 'Can culture be planned?' is not only affirmative but also compelling. It does not mean a dictatorial 'planning of culture' but, ensures that culture is always present and not marginalized in the planning process

General culture has always been planned, through the education system, through our cultural institutions and agencies, and through policy frameworks. Over the centuries it became so well planned, that the result appears effortless, natural and universal. If we are unable to broaden that planning process to include both the new cultural products of the cultural industries and other cultures' diverse cultural products and experiences, then those crucial components of the dynamic culture will be marginalised.

Cultural resources can be ordinary and diverse and also sometimes exceptional. When we view culture in this way, we can understand how, by definition, cultural planning must be strategic, integral, responsive and comprehensive. Cultural planning must find the role of

traditional arts resources but it must be able to address a developmental logic as well, in the form of cultural tourism strategies, in cultural industry development, in recreation and leisure planning, in urban and streetscape design and so on. It must also find the appropriate connections between them.

It must deal with the issues of identity, autonomy and feel of place, but it must also provide a more general program for urban or community development.

It must be able to create and maintain a real and effective equilibrium between 'internal' quality and texture of life and 'external' factors concerning tourism, attractiveness to potential residents and visitors, including large and small businesses.

It must recognise and regularly rediscover the richness of cultural resources which are already available in communities, but which are not yet part of a community's cultural, social or economic profile. Local communities must realise, and often rediscover their cultural heritage in the form of both physical sites and buildings, and in the more general sense of a distinctive cultural patrimony with a long and fascinating history. This is not something which can be forced on the communities by governments and tourism authorities so that tourists can come and have a look. It is something which comes from within, not simply for external display and its revenue earning capacity, but also because the rediscovery of a characteristic heritage can create momentum. This does not necessarily create a contradiction. This is simultaneously an economic development strategy and a process of the rediscovery of a community's self-identity. The same logic applies to cultural and environmental tourism, elements of mythology, ancient history and meanings of the land, traditional foods and medicine. If these cultural resources are not planned by, with, and for local communities, then inventors and tourism agencies will plan them from the outside, based solely on their own business interests and recognising their international market potential.

This leads to another important point. Cultural planning must be based upon the principle of a fully consultative and precise process of community cultural assessment. This is sometimes called cultural mapping. Whatever we call it, the simple principle is that we cannot plan cultural resources if we don't know what they are and what their potential is. In Geddes' words, "Survey before plan." This cannot be guessed at and the evaluation cannot be based simply on artistic resources. This is even worse than guessing because it carries so many points of discrimination. A community cultural assessment is based on both consultation and a meticulous process of detailed research into diverse cultural resources and needs. This can be quantitative and it can be qualitative. Let us make a *Household consumption survey* to collect data about the cultural consumption customs of the area.

In my assessment, Hungarian residents rely on domestic forms of cultural consumption much more than usual, which sends a message about the quality of amenities in the area. It would be certainly better for this money to go more directly into the local economy rather than to international entertainment and media companies. Would it not be better to export, rather than import, and to establish a distinctive identity, presence and 'brand' based on economic innovation and through distinctive forms of cultural production and expression?

Of course a good deal of qualitative research needs to be added to this quantitative research in the form of imaginative cultural mapping and planning, together with local stakeholders. We could give young people disposable cameras and ask them to go out and take pictures of their favourite places. Another solution could be to ask urban design students in Hungary to go to the local shopping centres and to sit down with groups of women, with young people, with older people, with the local minority communities, to

sketch their ideas about what they want their streets and their environment to look like. Groups with video cameras could archive the patterns of movement and activity in the area. In other words, we could use cultural resources to develop a more complex framework for planning, followed by an exhibition with the results of 'survey before plan.' This could have a very positive effect in terms of defining the texture, quality and diversity of the new city.

The "Building Blocks" urban development competition was used concerning the unutilised areas in Sopron that have creative potentials. It was a success, since teams of university students drew up fantastic concepts, and demonstrated them through computer animations.

The [www.epitokockak.nyme.hu](http://www.epitokockak.nyme.hu) web page gives detailed information about the competition. Another initiative that should be mentioned here is the "Creative cities – make your city a better place to live" project by the British Council that aims to improve urban community living, with the involvement of young professionals with various backgrounds, (<http://www.britishcouncil.org/hu/hungary-regional-projects-creative-cities.htm>).

We need to ask lots of questions to identify key issues. When asking the questions, we are setting in motion the first stages of community involvement and community investment. We are also setting in motion - perhaps unwittingly - a process of discovery of resources which may have been unrecognised beneath the community's profile. Cultural assessment should be an integral component of cultural planning that facilitates the presence of the community within the planning process, rather than simply as an 'object' of planning. It will reveal a community's strengths and unrealised potential. It summarises the elements of local culture and takes a hard look at resources, gaps and needs, enabling us to plan for better, more liveable, socially just and responsive communities.

## **5. Culture-based Urban Planning, Creative Cities**

This is not just a social endeavour, but also a community development and economic agenda. In the 21<sup>st</sup> century economy, the cultural industries involved in making meanings, signs, symbols, images and sounds, and the human infrastructure which supports them as both producers and consumers, will be vital.

Culture based urban development is a post-industrial mode of wealth creation. The policy for cultural resources, and their planning and management has a very special role to play in urban and community cultural development. Much more than a formal gesture towards the importance of culture (normally understood as 'the arts') in the city, cultural planning and development have an especially important role in organising the human relations of cities, in the so-called soft infrastructure, or the creative infrastructure, which will be so crucial in positioning cities and communities in the reorganised socio-economic relations of the knowledge economy, in which one of the most important form of property will be intellectual property.

Historically, cultural planning has been concerned with cultural production rather than with 'marketing' cultural products which are present in most households by now. The 'democratisation' of institutions and forms of production pales in comparison to the explosion in the means of transmission and the interactive consumption of cultural products facilitated by the rapidly expanding information superhighway and the convergence of the computer, the telephone and the television. We need to learn more about these new areas and forms of cultural production and consumption and their consequences related to planning urban environments. In terms of the goods and services of the cultural and

communications industries, cities are becoming crucial centres for replacing imports. In this context, urban cultural development and planning play a vital role in cities and regions, because they provide the basis and requirements for innovation, creativity, diversity and the production of value in much broader than the purely economic sense. In the 21<sup>st</sup> century the knowledge economy and the information superhighway become just as important as traditional transportation systems. The 'soft' 'creative' infrastructure is the special domain of cultural planning and development that connects cultural 'sustainability' with sustainable and innovative development.

According to Manuel Castells' argument concerning the context of what he calls the 'space of flows' produced by the new relations of information and economy, and the need to look to cultural necessities: "...local societies...must preserve their identities, and build upon their historical roots, regardless of their economic and functional dependence on the space of flows. The symbolic marking of places, the preservation of symbols of recognition, the expression of collective memory in actual practices of communication, are fundamental means by which places may continue to exist as such..."<sup>33</sup>

Furthermore, Castells also points out that this cannot mean a return to the "tribal system and fundamentalism." A full recognition of the important role of local government is needed. Instead of replacing the global information economy, it will actually establish its own information and decision-making networks and strategic alliances.<sup>34</sup>

It is exactly in this context that the new information technologies acquire a strategic significance at the local level. Citizens' data banks, interactive communications systems, and community-based multimedia centres, are powerful tools to enhance citizen participation on the basis of grassroots organisations and local governments' political will.<sup>35</sup>

Finally, how persuasive this argument is depends on whether we recognise the *connectedness* of developments in the economic domain (the knowledge or information economy) with those in the socio-cultural domain (sense of identity, access, participation, belonging and citizenship), those in the domain of infrastructure (place and its uses), and those in the domain of environment (stewardship of natural and built resources.)

In my experience, this connectedness is not represented well enough in urban planning, management and development today and even less so in the cultural vision and its goals.

## Notes:

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<sup>1</sup> Scott, A. (2000): *The Cultural Economy of Cities*. Sage Publ., London,

<sup>2</sup> There are some differences in the traditional meaning of the word culture from country to country. In the German speaking areas, it refers to the most civilised characteristics of humans (Kulturen). In the French speaking regions, it also carries the same anthropological content, but it refers typically to high culture (Culture), and is distinct from the German version in spelling and meaning. In the English concept of culture (culture, cultural) it lost its original significance a long time ago. Despite all noticeable differences, they kept the civilisation related meaning of the Latin concept of culture, which henceforth serves as a foundation for this study.

<sup>3</sup> The so-called marketing mix, assembled by J.C. McCarthy in 1964, was used for ranking the decision factors. This placed the consumer in the middle, and the so-called 4P's (price, place, product, promotion), which make scientific calculations possible, were arranged around it in the 'inner circle'. Social, political, legal and cultural factors, identified by Kotler's and his followers' marketing as 'uncontrollable' factors, were

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placed in the 'outside environment' of the consumer. (Hoffmann Istvánné (1990): Modern marketing. Universitas Kiadó, Kotler, Philip (1998): Marketing management. Műszaki Kiadó

- 4 Smelser and Swedberg created two tables in their study, to demonstrate the differences in attitudes in mainstream sociology and mainstream economic science. While sociology keeps re-analysing and teaching about its classic thinkers – Marx, Weber, Durkheim, Schumpeter, Polanyi, Parsons – mainstream classic economic science “regards its classic thinkers as belonging to the past, and the emphasis is on new theories and results.” (Smelser, Niel J. – Swedberg, Richard (1997): A gazdaságszociológiai szemlélet alapjai. In: Lengyel Gy. – Szántó Z. (szerk): Gazdasági rendszerek és intézmények szociológiája. Aula Könyvkiadó. p. 34.)
- 5 Weber, Max (1982): A protestáns etika és a kapitalizmus szelleme. Gondolat Kiadó, p. 29.
- 6 “If you are not chosen, act like you are!” contended Augustine (declared a saint by the church), almost 1200 years before the birth of Calvin.
- 7 Simon, H. A. (1982): A vezetői döntés tudománya. Statisztikai Kiadó Vállalat
- 8 Rosser, J. B. (2003): Káoszelmélet és közgazdasági racionalitás. In: Fokasz Nikosz (szerk.): *Káosz és nemlineáris dinamika a társadalomtudományokban*. Typotex Kiadó
- 9 As an economist, Pareto adhered to the linear arrangement, but as an economic sociologist, he did not. In his *Economy*, published in 1909, he did not linearize the equilibrium conditions any more. He did not deem perfect equilibrium possible to achieve due to the active role of the human factor!
- 10 Florida, Richard (2003): *The Rise of the Creative Class*, New York: Basic Books.  
Florida, Richard (2007): *The Flight of the Creative Class*, New York: Collins Books.  
Florida, Richard (2008): *Who's Your City?* New York, Basic Books.
- 11 Jacobs, Jane (1961): *The Death and Life of Great American Cities*. New York: Vintage Books.
- 12 E.g.: Peck, Jamie (2005): “Struggling with the Creative Class.” *International Journal of Urban and Regional Research* 24(4) pp. 740–70.
- 13 Jacobs, Jane (1961): *The Death and Life of Great American Cities*. New York: Vintage Books.
- 14 Throsby, David (2001): *Economics and Culture*, Cambridge, U.K., Cambridge University Press, pp. 43-47.
- 15 Knowledge economy: the new economy created in the global economic environment, based mainly on knowledge, which is – theoretically – characterised by a continuous development, low levels of unemployment and an exemption of the recurrent economic crisis of capitalism. The latter premise became somewhat less robust since October 2008.
- 16 Bianchini, F. & Parkinson, M., eds, (1993): *Cultural Policy and Regeneration: The West European Experience* (Manchester University Press, Manchester), pp.1 -20.
- 17 Dziembowska-Kowalska, J. and Funck, R.H. (1999): “Cultural activities: source of competitiveness and prosperity in urban regions”, *Urban Studies* 36, pp. 1381 - 1398.
- 18 Kong, L. (2000): Culture, economy, policy: trends and developments. Introduction to the special section of *Geoforum* on Cultural industries and Cultural Policies.
- 19 Urry, J. (2002): *The Tourist Gaze*. 2nd Edition. London: Sage.
- 20 Harvey, D. (1990): *The Condition of Postmodernity*. Oxford: Blackwell.
- 21 Bayliss, D. (2004): Denmark's creative potential. The Role of Culture Within Danish Urban Development Strategies.” *International Journal of Cultural Policy*, vol. 10, no. 1.

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- <sup>22</sup> Partners for Liveable Communities (2004): *The Creative City: Power for the New Economy*, Research Paper, Washington D.C
- <sup>23</sup> These are regular, monthly, formal and informal meetings that are often held in cafes, restaurants or similar public buildings, and where expert stakeholders come together to talk about their mutual interests, product or service development co-operation, joint ventures and project financing.
- <sup>24</sup> Colin Mercer (2002): *Towards Cultural Citizenship: Tools for Cultural Policy and Development*, Hedemora, Sweden, Bank of Sweden Tercentenary Foundation and Gidlunds Forlag, ISSN/ISBN:91-7844-622-8,
- <sup>25</sup> Grogan, David and Mercer, Colin with Engwicht, David, (1995): *The Cultural Planning Handbook: An Essential Australian Guide*, Sydney, Allen and Unwin.
- <sup>26</sup> The consortium founded by the University of Szeged (where the University of West Hungary is represented too) created the founding documents of the Cultural Heritage Management MA programme.
- <sup>27</sup> Meller, Helen, (1990): *Patrick Geddes: Social Evolutionist and City Planner*, London, Routledge. P.46.
- <sup>28</sup> Hall, Peter (1988): *Cities of Tomorrow: An Intellectual History of Urban Planning and Design in the Twentieth Century*, Oxford, Blackwell. P. 142.
- <sup>29</sup> Geddes, Patrick (1918): *Town Planning towards City Development. A Report to The Durbar of Indore: Parts 1 & 2.*, Indore, Holkar State Printing Press, 1918.
- <sup>30</sup> Bianchini, Franco (1989): *Urban Renaissance? The Arts and the Urban Regeneration Process in 1980s Britain*, Working Paper No 7, Centre for Urban Studies, University of Liverpool.
- <sup>31</sup> Leverage: in business terms, it stands for a preferably multi-purpose utilisation of the available resources in such a way that the generated results are increased or multiplied.
- <sup>32</sup> Garner, L. (1982): 'Winston-Salem: Effects of Development on Cultural Policy and Arts Institutions', in Violette, C. and Taquq, R. (eds), *Issues in Supporting the Arts, Graduate School of Business and Public Administration*, Ithaca: Cornell University.
- <sup>33</sup> Castells, M. (1994): "European Cities, The Informational Society, and the Global Economy." in *New Left Review*, 204, p. 18-32.
- <sup>34</sup> Castells, M. (1994): "European Cities, The Informational Society, and the Global Economy." in *New Left Review*, 204, p. 18-32.
- <sup>35</sup> Castells, M. (1994): "European Cities, The Informational Society, and the Global Economy." in *New Left Review*, 204, p. 18-32.