

# **Social Dynamics of Economic Performance: Innovation and Creativity in City-Regions**

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## **Summary:**

It is becoming clear that city-regions are now the key source of economic vitality and innovative capacity for nation-states. Despite well-established trends towards a globalizing economy, innovative activity is becoming more, not less, concentrated in city-regions. The reasons for this remain the subject of vigorous scholarly debate. Recently, some have suggested that the comparative advantage of city-regions in the knowledge economy rests on their social characteristics as much as their economic assets. Restating these arguments, one could say that a city-region's social characteristics have now become its principal economic assets. The critical issues to be address in the research are: how do local social characteristics and processes in city-regions determine their economic vitality and dynamism as centres of innovation and creativity? In particular, how do the social learning dynamics between economic actors, the social dimensions of quality of place (including diversity, openness, and inclusion), and the social nature of civic engagement and governance processes shape the city-region's economic growth, creativity, and innovative potential?

Because these principal questions span the economic and the social, as well as the local and the global, a multi-disciplinary perspective is required. Moreover, in a country as spatially diverse as Canada, with its strongly distinctive cities and regions, one size most definitely does not fit all. Our previous work confirms that different city-regions follow their own particular evolutionary paths, as unique local conditions shape responses to global forces of change. Hence, a research design that is national in scope but attentive to local experiences is called for. The diverse, multi-perspective team approach in this proposal is designed to achieve exactly this. The team builds on an existing national network of researchers currently investigating the evolution of industry clusters in communities across Canada.

The research has the potential to make very significant contributions to international and Canadian scholarship. As a tightly integrated, interdisciplinary team of scholars, with close working relationships and critical input from widely recognized international colleagues, we have developed expertise and international profile in three key research fields most relevant to this study: the structure and evolution of innovation systems (national and regional); the local and global dynamics of cluster development; and the role of culture and creativity in city-regions. As a group, we are uniquely situated to integrate the conceptual and empirical insights arising from these three realms of knowledge, and to articulate findings of direct relevance to economic development policy formulation, using the city-region as the primary device for integration. Our intent is to explore the points of convergence (and contradiction) between these three streams of scholarship, leading to a much more strongly integrated theory of innovation than the literature has yet produced, in which the role of proximity and social characteristics of place are clearly defined and set within a global context.

Recognizing Canada's unusually diverse ethno-cultural composition and its highly urbanized character, a Canadian study of the social determinants of urban economic performance will be of great interest to scholars nationally and internationally, as well as to a wider lay audience. It also holds great promise to produce breakthrough insights into the processes underlying the geographical concentration of innovation and creativity, and to inform policy makers concerning the local, provincial and national initiatives that are most effective in shaping a city-region's economic potential. Once these processes are better understood, our work will provide the scholarly evidence to inform a fundamental reorientation of economic development policy. Public initiatives that define effective new governance mechanisms, and that shape social tolerance, diversity, neighbourhood strength, relative freedom from social deprivation, and access to social services may then be recognized as critical foundations for urban economic growth, creativity, and innovative performance.