Ireland needs to nourish its creative class

Yesterday, the innovative US urban economist Richard Florida gave a talk in Cork about the future of cities. Florida has been at the vanguard of new thinking about how cities, rather than countries, create economic dynamism. The rub of his argument, building on the work of the great urbanist Jane Jacobs, is that cities - where people are constantly chatting, talking, and dealing with each other - are the bedrocks of innovation.

Florida has identified a new group he calls the "creative class", who work with the right-hand side of the brain. With some compelling evidence, he concludes that those US cities with a high proportion of artists, writers, software engineers, architects, and designers are the ones with the strongest growth rates, the highest standards of living, and the most satisfied citizens.

In contrast, cities with a much higher blue-collar population are stagnating and are much more susceptible to competition from the third world, particularly China.

Countries such as ours (Ireland is a city-sized country should cultivate their creative classes to grow in the years ahead. And to do that, they need to be open and tolerant.

There is, and has always been, a strong correlation between tolerance and wealth. The more open, tolerant, and irreverent a society, and the more foreigners and non-mainstream people living in it, the more efficient is the economy. When countries or cities become less tolerant (as in parts of eastern Europe and Brexit Britain today for example), the creative class flees to other much more attractive places, where the arts and culture are flourishing. Therefore, the very essence of the city - its architecture, restaurants, art galleries, open spaces, public parks - is part of the selling package for the economy of the region. This is soft economic power. In the past, hard economic power - such as steel and coal reserves, large populations and/or political or military might - mattered. Today, what matters is the essential feel of a place, its culture, the experience, the mix of people, the nightlife, and the lifestyle.

For a high-wage country such as Ireland, the way to stay ahead of the game is to invest heavily in its "vibe". Positive link

For example, in the US, there is a strong positive link between the creative class and the "gay index" (the concentration of gay people and the relative tolerance of legislation in a city or state). The reason for this is gay people are much more likely to feel comfortable settling in tolerant cities, and these places are also much more likely to display soft economic power. (This is not to say gay people are more creative, but where you see a significant presence of a creative class, you also see more gay people.)

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The history of Sicily is even more alarming in terms of the links between economic wealth and tolerance. Until the 17th century, Sicily was rich, sophisticated, tolerant, mixed, multilingual, and important. He who controlled Sicily controlled the Mediterranean, and he who controlled the Mediterranean controlled the world.

In 1492, a great tragedy befell Sicily. The island was under the control of the crown of Castile, and when Ferdinand and Isabella of Spain ordered the expulsion of all Jews and Moors from Spain, Sicily had to follow suit. Jews had played a disproportionate role in trade as well as in the professions, particularly medicine and pharmacy. Gradually, a series of orders was passed that compelled Jews to sell their assets and pay all their outstanding debts immediately and, most ominously, bar them from bearing arms. Within a few years what was left of Sicilian trade after the devastating first decades collapsed to almost nothing.

Economically, Sicily went into a tailspin. Without the Jewish traders (who had formed a tiny percentage of the population), no one traded. Without trade, there was no cash and without cash, there were no jobs.

Other dissenters

Economic history offers many examples of how countries and cities that are open to new ideas, new ways of thinking and new people thrive. Those that become intolerant go backwards. In the above example, openness to Jewish people underscored the attitude of Sicily not just to Jews but to all sorts of other dissenters from the mainstream. These were the ancient creative classes.

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The economic lessons are straightforward. A society intolerant of outsiders tends not to be curious about other things, tends to stifle debate, lets local bigwigs go unchallenged, and allows a small coterie of insiders stitch up the economy. The smart successful economies of the next 20 years will be those that foster the right conditions for the creative class to flourish. Ireland should be that place.