

## E PLURIBUS UNUM

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### **Abstract**

This paper aims to map out the consequences of migration flows to modern cities, while it analyzes in particular various aspects of urban cultural diversity. It argues that a sustainable and innovative development of cities under conditions of creative cultures is possible, and it presents a so-called pentagon model as an analytical tool for investigating the necessary conditions for a balanced and thriving urban development. The paper also pays attention to a major new phenomenon inherent in urban pluriformity, viz. the emergence of ethnic or migrant entrepreneurs.

### ***Abstrakt***

*Tento dokument si kladie za cieľ zmapovať dôsledky migračných tokov na moderné mestá, pričom analyzuje najmä rôzne aspekty mestskej kultúrnej rozmanitosti. Tvrdí, že trvalo udržateľný a inovatívny rozvoj miest v podmienkach tvorivých kultúr je možný, a že predstavuje takzvaný model Pentagonu ako analytický nástroj pre skúmanie potrebných podmienok pre vyvážený a prosperujúci rozvoj miest. Dokument tiež venuje pozornosť hlavným novým fenoménom spojených s mestskou pluriformitou, vid'. vzniku etnických, alebo migrujúcich podnikateľov.*

### **The Urban Melting Pot**

Migration is one of the most studied subjects in the social and behavioural sciences (e.g., demography, sociology, geography, economics). Several scholars speak nowadays of the 'age of migration', and this suggests that mankind is structurally 'on the move'. But it ought to be recognized that since the early history of mankind people have always shown a nomadic behaviour. Settlement patterns are only a result of the past few thousand years. Clearly, exogenous shocks (such as wars, natural disasters or famine) might temporarily create an intensified migration. This forms a contrast with the present, where migration is increasingly an endogenous response to normal market conditions, a phenomenon that is strongly co-determined by our open and globalizing economy.

Europe has displayed interesting demography trends over the past centuries: in the year 1900, Europe had still a share in the world population of 20%; this share went down to 10% in the year 2000, and this share will most likely be no more than 5% by the end of this century. But also at the intra-European level, significant changes have taken place: Europe has been an e-migration region until the 1960s, while from that period important South-North migration flows emerged (the period of 'gastarbeiders'). This has created a multicultural diversity in many European countries, be it that the composition of foreign migrants over the decades changed significantly. In the past decade we have witnessed a strong East-West migration, as a result of the fall of the 'iron curtain' and other geo-political circumstances in Central- and Eastern Europe.

Most foreign migrants appeared to settle down in the urban areas in Western Europe, often in the form of ethnic or national clusters. Their long-term position on the labour market appeared to be very weak with high unemployment rates (even among the second generation), which led to increasing socio-economic and ethnic tensions in the city. The city became a multicultural melting pot (Jacobs, 1961). Although this may suggest that migration in Western Europe has mainly negative effects, the facts may be different. In the first place, labour migration may cause important competitive advantages for the host region (de Graaff and de Groot 2004). Next, the assumption that labour immigration does create crowding-out effects is not supported by statistical facts (Longhi et al., 2008). And finally, many foreign migrants appear to possess excellent entrepreneurial skills and are responsible for a flourishing SME sector in many cities (the so-called ethnic entrepreneurs, discussed later in this paper).

It ought to be recognized that in an open world modern cities will by necessity turn into heterogeneous settlements, with an unprecedented cultural diversity. The sense of local identity will undergo a change, and the question is whether out of this diversity a new common sense of cultural identity will emerge. Does cultural diversity provide a positive incentive to the vitality of cities? Is the expression on the American dollar banknote 'E Pluribus Unum' a sign of hope for the city? Does diversity stimulate creative cities? This question will be addressed in the next section.

## **Creative Cultures in Cities**

Cities are not just geographical settlements of people, they are also the ‘home of man’ (Ward 1976). They reflect the varied history of mankind and are at the same time contemporaneous expressions of the diversity of human responses to future challenges. A great example of the way urban architecture reflects and shapes the future can be found in Dubai, a city that has deliberately left behind its old history and has decided to shape a spectacular new urban design and lifestyle. In doing so, it tries to find a balance between economy, technology, society and culture by deploying urban space as an action platform for accelerated economic growth and by mobilizing all resources for elite lifestyles in the city. Dubai intends to become a symbol of creative architecture.

Dubai is not an exception. Actually, modern urban planning shows an avalanche of varying initiatives focussed on creative urban development, in particular by centering on culture and acts as multi-faceted cornerstones for innovative development of the city. Consequently, it has become fashionable to regard cultural expressions like arts, festivals, exhibitions, media, communication and advertising, design, sports, digital expression and research as signposts for urban individuality and identity and departures for a new urban cultural industry (see Florida 2002, Scott 2003). ‘Old’ cities like London, Liverpool, Amsterdam, Berlin, Barcelona, New York, San Francisco, Sydney or Hong Kong witness a profound transformation based on creative cultures. This new orientation does not only provide a new dynamism for the city, it also has a symbolic value by showing the historical strength of these places as foundation stones for a new and open future. Clearly, blueprint planning of the city has become outdated. Hence, the creative sector has become an important signpost for modern urban planning and architecture, with major implications for both the micro structures of the city and its macro image towards the outer world.

Since Florida’s ideas on the creative class, the creative industry and the creative city (see for an overview Florida, 2002), an avalanche of studies has been undertaken to study the features and success conditions of creative environments (see e.g., Gabe, 2006; Heilbrun and Gray, 1993; Hesmondhalgh, 2002; Landry, 2003; Markusen, 2006; Power and Scott, 2004; Pratt, 1997; Scott, 2003; Vogel, 2001). Despite several empirical studies, an operational conceptualization of creativity infrastructure and suprastructure has as yet not been developed and calls certainly for more profound applied research. This is once more important, as there is a growing awareness of and interest in the dynamics-enhancing impact of creative activities.

Undoubtedly, a main challenge of the modern creativeness fashion is to translate creative and cultural assets and expressions into commercial values (value added, employment, visitors etc.), which means that private-sector initiatives are a *sine qua non* for effective and successful urban creativeness strategies. Consequently, an orientation towards local identity and local roots ('the sense of place'), a prominent commitment of economic stakeholders (in particular, the private sector), and the creation of a balanced and appealing portfolio of mutually complementary urban activities are critical success conditions for a flourishing urban creativeness strategy. Cities offer through their agglomeration advantages a broad array of business opportunities for creative cultures, in which in particular self-employment opportunities and small- and medium-sized enterprises (SMEs) may play a central role in creating new urban vitality. Clearly, flanking and supporting urban conditions, e.g., local identity, an open and attractive urban 'milieu' or atmosphere, usage of tacit knowledge, presence of urban embeddedness of new business initiatives, and access to social capital and networks, provide additional opportunities for a booming urban creativeness culture and an innovative, vital and open urban social ecology. Urban creativeness presupposes an open and multi-faceted culture and policy.

### **Pluriformity and Cultural Diversity**

The cultural and socio-ethnic pluriformity of modern cities seems to undermine the sense of a common identity. Urban fragmentation seems to become a challenging new trend. For example, in restaurants in Miami it is sometimes impossible to use English as a communication language. Cities do not only show cultural and ethnographic diversity, but are also becoming multilingual meeting places (cities as a modern 'Babylon') (see Extra and Yagmur 2004). But even in countries with a generally common language (e.g., the Netherlands or Italy), we observe an increasing popularity of local dialects as a vehicle for showing a common identity ('connotational value'). In this context, the region or city tends to become a geographic platform for establishing and showing a spatial-social identity. This shows that global openness and accessibility may run parallel to closed and fragmented cultural niches.

It is noteworthy that issues regarding cultural diversity have been studied for many decades already in the social sciences, e.g., in the sociology of religion as developed by Max Weber (see also Osaba 2008). Further interesting contributions to a better understanding of the role of culture in economics and management sciences can be found *inter alia* in the works of Hofstede (1980, 1991); see also Flytzani and

Nijkamp (2008). From a macro-economic perspective, original contributions were offered amongst others by Olson (1983), who explained the rise and decline of nations from the presence and function of institutional-cultural frameworks in a country. And finally, quantitative-econometric research on the impact of cultural factors can be found in Cenoz et al. (2008) and Osaba (2008).

An interesting example of urban cultural studies can be found in a paper by Cenoz et al. (2007) on 'What is in the sign of a shopping street'. This is a particularly interesting statistical application in the framework of socio-cultural research. The question which factors are decisive for the use of a specific language in a shopping street (e.g., local dialect, national language or English) is determined by many factors, partly of a local-cultural nature, partly of a general economic nature (e.g., local orientation of a shop, member of a franchise organization, type of shop etc.). Discrete choice models dealing with categorical variables can then be used to identify the drivers of the nomenclature in a shopping street. Clearly, this is a complex field of research, as many underlying explanatory factors are here at stake, such as the interaction between supply and demand, the type of visitors, the possible emergence of spatial externalities (to be dealt with by using spatial autocorrelation methods), the existence of a broader set of intervening cultural variables etc.

This type of research calls for a broader orientation in the field of cultural dynamics, with a focus on: citizenship and identity, creative activities and innovation, intermediality, the impact of popular culture, and the interface between traditional societal perspectives and open attitudes regarding modern cultures. Against this background, cities have always been meeting places of people with different cultures, education and talents. The modern city is an open 'agora', where ideas from a diversity of cultures and nations come together. The major challenge for a modern city will be to turn possible tensions on such a multicultural 'agora' into positive synergetic energy.

### **Critical Success Factors for Sustainable Innovative Development**

The modern urban fabric forms a complex dynamic system that is influenced by many endogenous and exogenous forces. In an open world dictated by global competitiveness, it is clear that cities are no longer islands of stable development, but are instead dynamic agglomerations operating in a force field where growth and decline are both possible. Cultural diversity may be a competitive asset to improve the socio-economic performance of cities, but in case of ethnic-cultural tensions it

may hamper a balanced development. Which factors are decisive for a sustainable development of cities that is able to cope with both local and global forces?

We will present here a production function for urban sustainable innovative development based on a *pentagon* model with five critical success factors (CSFs). The *pentagon* model has been developed and applied in various previous studies on the performance conditions of complex systems such as transportation systems or urban energy systems (see Nijkamp et al. 1994 and Capello et al. 1999). For further details the reader is referred to the above publications. In the framework of the present study on sustainable innovative development (SID), we distinguish the following five CSFs:

- The availability of *productive capital* (PC). This corresponds to neo-classical production theory where output is determined by the traditional production factors labour and capital.
- The presence of *human capital* (HC). This factor refers to the quality of labour input obtained by means of education, training or new skills (e.g., in ICT) and may be seen as a productivity-enhancing factor. Clearly, a balanced distribution of human capital over people is of great importance.
- The access to *social capital* (SC). This condition comprises interaction and communication between people, socio-economic bonds, social support systems, business networks (formal and informal), relations based on trust, and so forth.
- The usage of *creative capital* (CC). This CSF may be seen as a great ability to cope with challenges and new opportunities, and is reflected in entrepreneurial spirit, new ways of thinking and acting, trend-setting artistic expressions, innovative foresights etc. Such a factor is often found in a multicultural urban melting pot.
- The existence of *ecological capital* (EC). This fifth condition takes for granted that a favourable quality of life, an ecologically-benign condition in a city, presence of green space and water, or an attractive living climate (e.g., recreation and entertainment possibilities) contribute significantly to the innovative and sustainable potential of the city.

The above five CSFs can be depicted in the following *pentagon* presentation:

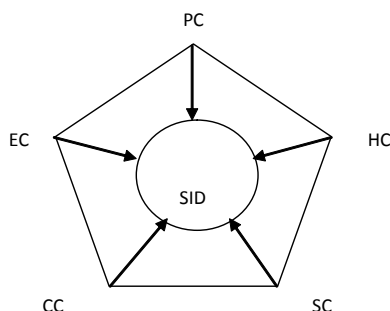


Figure 1. A pentagon presentation of urban sustainable creative forces. Clearly, the statistical test on the validity of the pentagon model requires quite some empirical field work, either at the micro level of the various individual change agents in a given city, or at the macro/meso level of a comparative analysis of creative development of various cities.

### **Creative Entrepreneurship in a Modern City**

The age of migration has led to a different population composition of cities in the developed world. Many cities were in the past decades flooded with waves of opportunity seekers, but many local labour markets were unable to accommodate this rising tide of workers. At the same time, the SME sector in many cities (e.g., the retail sector) had great difficulties in coping with the competition of large supermarkets and department stores. This turbulent environment appeared to create favourable conditions for migrants with a business or entrepreneurial spirit, as they were able to exploit niche markets at reasonable costs. This has led to a massive change in the SME sector in many modern cities, where nowadays ethnic or migrant entrepreneurship is one of the most flourishing business activities that have really changed the face of the city (see Dana 2008).

In an open and global world characterized by a rising urbanization degree, modern cities function as the habitat of international migrants and magnets of economic growth, in which SMEs are a source of new jobs, business dynamics and innovation. Migrant entrepreneurs form a significant part of the SME sector in our cities and may hence be important vehicles for urban vitality. Usually, these migrant entrepreneurs have to work in an unfamiliar and risky business environment. However, they may tend to be risk-avoiding and hence concentrate on traditional market segments (e.g., markets for ethnic products). Consequently, they may be less entrepreneurially-oriented in terms of risk attitudes concerning undertaking

innovative business activities. Reliance on social networks of their own socio-cultural group may guarantee a certain market share, but may at the same time hamper an outreach strategy towards new and innovative markets (e.g., high-tech/ICT). Woolcock (1998) claimed that reliance on the own migrant group and its related networks is both developmental and destructive. According to Menzies et al. (2003), an orientation on the own group is even mainly a benefit to migrant entrepreneurs. And Portes and Jensen (1989) referred to the effects of some degree of monopolistic power in migrant entrepreneurship regarding better access to a relatively protected market. Nevertheless, Lyer and Shapiro (1999) suggested that competition amongst migrant entrepreneurs serving the same limited market niche may increase businesses failure, especially if the market size is relatively small. Modern cities tend to become great laboratories of creative entrepreneurship indeed.

### **Urban Pluriformity Revisited**

The city is the action place of a modern society. It is unparalleled in terms of agglomeration advantages (despite the existence of clear negative externalities). Cultural diversity may offer a new opportunity to a balanced and maybe even accelerated urban development, provided the negative externalities involved (social stress, unemployment etc.) remain lower than the positive opportunities that are the result of a pluriform socio-cultural urban ecosystem. Urban policy has to operate at a difficult edge between checks and balances, and has to seek for creative strategies to exploit the potential benefits of a pluriform urban climate, as suggested in the present paper by the above mentioned pentagon model. Clearly, cultural diversity may be a ‘maker’ or a ‘breaker’ of a sound development of our cities. Fortunately, we have many good examples that demonstrate that a pluriform urban culture may enhance welfare and well-being. Such role models are badly needed in a period where sometimes socio-cultural tensions may seem to overshadow the beauty of urban life.

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