

***Innovation Systems Research Network
The Social Dynamics of Economic Innovation***



**Halifax City Region Study
*Theme 2: Social Foundations of Talent Attraction and Retention***

Data Summary Report for Halifax, Nova Scotia

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Recent thinking in economic theory presumes that healthy social environments in urban areas are crucial to positive economic performance. The work of Richard Florida (2002) and others has inspired a Canada-wide study (led by David Wolfe at the University of Toronto) documenting the relationship between different forms of social and civil engagement and economic growth. The study, *Social Dynamics of Economic Performance*, covers 15 cities of different sizes throughout Canada.

Halifax, Nova Scotia is one of the medium-sized cities (250,000– 999,999) in the study. Halifax Regional Municipality (HRM) has a population of 372,858 (2006 Census). Although most of the land area is rural, the largest proportion of the population lives in urban areas. The major economic drivers in HRM are government industries such as the Department of Defence, and institutions such as universities and health services.

The research team for the Halifax study is in Dalhousie University's School of Planning led by Jill Grant. This summary describes preliminary findings collected for theme 2 of the project, focusing on the *Social Foundations of Talent Attraction and Retention*. Based on the theory that the presence of creative people builds economic capital, the theme explores Halifax's assets and challenges in attracting and retaining highly talented and creative workers.

Overview of study:

The data were collected through a series of 26 semi-structured interviews (with 28 respondents) conducted by research assistants Rebecca Butler, Aaron Pettman and Jeff Haggett from June 2007 to August 2007. The interviews involved four categories of respondents: creative workers, employers of businesses, employers at research institutions, and representatives of intermediary organizations in the local development community (Table 1). Related but slightly different interview schedules were used for each category of respondent. Most interviews took between 40 and 90 minutes and were recorded for transcription.

Table 1: Interview sessions by type [n=26]

Sector	Creative Worker	Employer - Business	Employer - Research	Intermediary Organizations	Total
Consulting	4	4	0	0	8
Music	6	0	0	1	7
Health	3	0	3	2	8
Economic development	0	0	0	3	3
Total	13	4	3	6	26

Table 1 indicates the categories of respondents. We selected three sectors for investigation: high level health research, consulting (knowledge based services), and music (creative industry).

- Halifax is an important site of health research in its universities and hospitals. Biomedical research is a significant cluster in the region, attracting researchers from around the world.
- Halifax has a concentration of planning / architecture/ design and engineering consulting firms that do contract work throughout the region.
- Halifax attracts musicians from across the country to its internationally-recognized indie music scene. It has a significant cluster of creative workers.

We interviewed respondents from economic development “intermediary” organizations, that is, organizations that work to facilitate economic development in the target sectors or in the city generally, and from intermediary organizations in the health and music sectors.

Table 2: Gender of respondents [n= 28]

Creative Worker		Employer - Business		Employer - Research		Intermediary*	
Male	Female	Male	Female	Male	Female	Male	Female
7	6	4	0	2	1	3	5

* One interview with intermediary organizations involved two female respondents and another interview involved one male and one female respondent.

We interviewed a total of 28 respondents (Table 2): 16 males and 12 females. We had hoped to achieve a balance of employers and employees in each sector, but that proved elusive. Only seven employers or supervisors participated. Workers and intermediary organizations were significantly more ready to schedule interviews than were employers. We interviewed 13 workers in talented and creative occupations, only two of whom were born in Halifax¹. Whenever possible, we interviewed employers and workers within the same organizations. Because of the independent structure of the local music sector, we classify all of those interviewed as creative workers rather than employers.

¹ Six were born in Nova Scotia, four in Ontario, one in Alberta and two outside of Canada.

Challenging the model

The hypothesis for Theme 2 research examines whether the social foundations of talent attraction and retention depend on a set of characteristics that define quality of place, including cultural dynamism, social diversity, openness and tolerance, social inclusion, and cohesion. The case of Halifax challenges this hypothesis in some ways, as the characteristics identified by respondents as responsible for Halifax's high quality of place may be significantly different than those proposed by Florida (2002).

STUDY HYPOTHESIS

Theme II: The primary hypothesis for this theme is that the economic performance of city-regions depends on a set of characteristics that define quality of place, including cultural dynamism, social diversity, openness and tolerance, social inclusion and cohesion. We are especially interested in those institutions, policies and practices that ensure that talented newcomers are welcomed and readily integrated into a city-region's social and economic networks, and that enable members of disadvantaged social groups to participate fully in urban creative economies.

While many respondents mentioned the cultural dynamism and community cohesion of Halifax, the majority did not describe it as an exceptionally socially diverse place. Respondents struggled to identify ways in which the city encourages disadvantaged social groups to participate in urban creative economies. Some respondents felt Halifax would be a difficult place for new immigrants, especially those not familiar with English. Small communities of immigrants could constrain options for new migrants. Except for the intermediaries involved in economic development, respondents showed limited awareness of government or community institutions, policies, and practices for welcoming newcomers. Most respondents saw their own occupational sector as tolerant and welcoming of diversity and of newcomers. Tolerance and acceptance of diversity in the work and social environment may trump perceptions that the wider community is relatively homogeneous.

The consensus among respondents was that Halifax is a fairly conservative city with institutions resistant to change. Respondents described the policies of some governing bodies, particularly the Halifax Regional Municipality, as providing insufficient support for, or in some cases opposing, innovation in the creative sector.

Some respondents mentioned the ongoing racial and socio-economic segregation between the north and south ends of Halifax as a barrier to social integration. At the same time, though, respondents described the North End as one of the most creative and diverse neighbourhoods in the city. Its creativity results not from specific policies or initiatives but rather from lower rents that make it possible for artists and new businesses to find affordable space in which to operate. Some respondents voiced concerns about whether gentrification could undermine the mix in the area.

The primary traits mentioned by respondents as creating a high quality of place in Halifax include access to natural landscapes, proximity to the ocean and green space within the city. Many respondents mentioned the historic character, general walkability of the city, and the absence of traffic as assets. The comparatively low cost of housing in certain

areas of the city region, and the competitive cost of housing in Halifax compared to other growing cities in Canada were seen as an advantage. Respondents from all sectors mentioned the culture of collaboration and cooperation within their own sector as contributing greatly to their desire to stay in Halifax, sometimes even though they may find greater opportunities for career advancement elsewhere.

The small size of the community facilitates the culture of cooperation, particularly in the music sector where most professional networking is informal: respondents talked about running into each other on the street, in restaurants, and in bars. In the case of organizations seeking government funding, collaboration may be a function of economies of scale; for example, small research bodies may submit joint proposals in order to compete for national funding. Respondents in the health research sector saw the location of the university campuses in close proximity in the central part of the city as an advantage for facilitating the interaction of informal peer networks. The culture of collaboration, described as unique to Halifax, was commonly cited as a factor in attracting and retaining creative workers.

Some respondents noted that their ability to stay in Halifax despite its relative geographic isolation has been facilitated by the direct flights that connect it to international centres, which enables work abroad and makes the city more attractive to visiting colleagues. Respondents generally agreed that the high quality of place makes it relatively easy to recruit employees to Halifax, if they are not already in the region. Several employers noted a strong commitment among those who are either from the city or who attended university in Halifax to stay in or return to the region. Respondents frequently mentioned the many universities as a major asset to the city, though some respondents noted that the size of the labour market and relatively low wages mean that many graduates who wish to stay in the city are ultimately forced to seek employment elsewhere. The availability of jobs seems a major constraint to efforts to entice talented and creative workers to Halifax.

The research posed three specific questions regarding policies and practices that lead to the development of the creative economy. The first question focused on the critical factors that enable a city-region to pursue a talent-based strategy for economic development. The primary response to this line of questioning by respondents was that Halifax's creative sector is thriving *in spite of* rather than as a result of the region's current approach to economic development. Respondents had many suggestions as to how the current strategy could be improved. The responses grouped around four themes: attitudes towards innovation, governance, resources, and infrastructure.

The second question touched on whether theories developed around the creative sector in larger urban centres can be successfully applied to mid-sized and smaller cities. Many respondents felt that Halifax was the ideal size in that it is both large enough to attract a critical mass of creative workers, and small enough to maintain a high quality of place that allows for easy access to the natural environment. The size of the city was cited as a factor that facilitates the culture of collaboration that exists in many sectors. Despite some challenges posed by its geographic isolation and small labour market, few respondents expressed any intention of leaving the city in the short to medium term.

The third question examines whether Halifax benefits from global decisions to invest in innovative activity and knowledge-intensive production by serving as a regional talent pool with distinctive capabilities. Responses to this question were relatively affirmative, with the caveat that Halifax's unique capabilities and strengths are not being fully utilized under the current strategy. Respondents mentioned unique features of Halifax that could serve to facilitate the development of creative and innovative industries far beyond the status quo. Most of the barriers to achieving greater development of the creative sector are those mentioned in the response to the first question, such as resources and lack of government leadership. Other issues include limited opportunities for career advancement, and the prevalent belief that employers see those with work experience from outside the Halifax region as more valuable employees than those who have chosen to stay for the duration of their career. Several interviews noted the difficulty of retaining the 'high-flyers' for reasons of salary, career advancement, or access to a broader market.

1. Can city-regions pursue a talent-based strategy for economic development while simultaneously ensuring socially inclusive outcomes? (If so, what are the critical enabling factors)?

Attitudes toward innovation

Most respondents felt that the dominant attitude towards innovation in Halifax was resistance. While some noted that highly innovative sub-cultures exist in sectors such as the music industry, the consensus was that the dominant culture is conservative. This observation proved particularly strong for respondents who had traveled extensively or came from outside the province. As a consultant who had immigrated from overseas noted,

“There are two things I've noticed about Nova Scotia or Atlantic Canada. They seem to be very much fearful of change. That's one and I think that's part of it—that's my observation of living here. And there is the fear of losing identity and culture” (Interview 23, consultant worker).

Resistance to change was attributed to several factors, including the city's long history, geographic isolation, and lack of political vision. While the general interest in preserving heritage was cited as contributing to this dynamic, some respondents also recognized it as a positive attribute that attracts both tourists and newcomers. As one employer in a consulting firm observed,

“It's both an opportunity and a constraint for us. It's our heritage. It's what people appreciate when they come here, but it makes it difficult to get change to happen” (Interview 26, consultant employer).

Several respondents compared Halifax negatively to Montréal, the latter seen as an example of an older Canadian city that supports innovation and new technologies in design. Respondents from various sectors strongly suggested that a culture of conservatism prevents Halifax from reaching its economic and creative potential and diverts the city from recognizing new opportunities where they may exist. One research

worker commented,

“We [Halifax] haven't embraced different ways of doing things... We're still very much, I think, rooted in the economy of government, military, natural resources.... We don't encourage –I think we're starting to, but it's still pretty embryonic-encouraging innovation as we can understand it” (Interview 6, health research worker).

Some respondents cited the existence of entrenched ‘networks of power’ as a barrier to the growth of creative industries in the city. While this was seen to be particularly true from a governance standpoint, some also said it existed within industries. Part of the entrenchment is simply a function of the size of the labour market:

“There are many young people trying to start their careers and the old people that are established need to hold on to them because they can't move onto something else. ... People, who are here, who do that thing they do, they have been doing it for awhile. Because they are not the people who have chosen to up and leave, they might be more resistant to change with the times, to change the technology....I find that is really against new people getting established and I observe this happening quite a bit” (Interview 25, musician).

Views as to whether the creative sector is easily accessed by newcomers ranged from the belief that it is highly permeable, to the perception that it is superficially welcoming to newcomers but difficult to penetrate on a profound level. The theme of entrenched interests also arose in regards to the distribution of resources such as grant opportunities; for example, one respondent mentioned that the largest venue for theatrical productions employs few local artists, yet manages to receive significant funding from the Halifax Regional Municipality (HRM) on an ongoing basis.

Governance

Respondents expressed a high level of frustration with government policies, particularly those of the HRM. Many felt that the HRM has a limited appreciation of the potential and current contribution of the creative sector to the Halifax economy, and that the approach taken to the development of the sector requires serious reconsideration. A music intermediary respondent described the current approach as lacking coherence, noting

“the appearance that certain special events and this old boys’ network can access money in this completely arbitrary way is something that drives people either to alcoholism, or to go back to Ontario or Montréal ” (Interview 15).

The creative employers offered several examples as to how governing institutions have failed to appreciate the contribution and potential of their respective industries. An individual from the academic community observed that government focuses on the commercial potential of research as a measure of its economic productivity (e.g. patents), while overlooking the human capital created in the process of training post-doctoral students. Respondents from the artistic sector likewise described a ‘gap in understanding’ between the arts community and the government departments with the mandate to support their development. As one music producer respondent stated, the

“gulf of ignorance is pretty huge on both sides. So I get the sense that I know as much about Culture and Tourism and the cultural and tourism industry as they know about the music industry” (Interview 20).

Some respondents from the arts community expressed the belief that the HRM only supports artistic projects that fit a heritage-oriented tourism strategy (e.g., Celtic music), to the detriment of other types of artistic ventures.

Overall, most respondents agreed that the municipal government does not act appropriately to support the advancement of the creative sector, and may not recognize the high level of talent that exists. One employer from the private sector stated that in his experience the HRM actively seeks to hire firms from outside the province for certain projects because there is the perception that Atlantic Canadian firms are incapable of world-class innovation. The HRM was described as lacking a broader vision for the arts and as failing to provide creative venues for their development. Employees from the planning / architecture / design fields likewise described the work available in the HRM as unstimulating, particularly for new graduates who are interested in cutting edge technologies. As one consulting employer respondent stated,

“One of the issues we’re having now is that in HRM, not much is happening....You lose some of those people to international jobs and bigger cities to do the exciting work” (Interview 12).

With the difficulties posed by under-resourcing and over-regulation in the city region, respondents said they struggle to work with municipal and provincial governments that seem to have a weak understanding of their competitive markets. A few respondents suggested that the amalgamation of the Halifax Regional Municipality presented additional challenges. Amalgamation may have contributed to poor relations between the creative sector and government agencies. As one respondent described the dynamic,

“What we now have is a city with a majority of councillors from rural areas. Their concerns are much different than the councillors from the urban areas. It may not be fair, but historically the urban areas are where you see the most innovation” (Interview 21, consultant worker).

Resources

When asked about barriers to their professional success, respondents consistently brought up the issue of having insufficient financial resources to fully pursue their goals. Employers, for example, noted that they are unable to offer salaries or benefits comparable to those of larger urban centres such as Toronto. This is particularly problematic for specialized fields such as medical research. As one health research employer noted,

“I think we do have problems when it comes to sort of the mid-career, high flyers, to bring them in is more difficult for us...We can do it, but we usually have to do it through getting people to endow piles of money from the private sector, from their estates and things to be able to cobble it together. But we can’t do it on a regular basis” (Interview 5).

Other respondents noted that because of its smaller scale, Halifax is at a disadvantage when competing for large grants. On a positive note, the need to overcome this economy of scale encourages collaboration, which is facilitated by Halifax's smaller size. One respondent expressed the view that

“We're under-resourced in this region... but we're able to do a lot with very little. And we're able to pool our skills and pool our ideas and resources, and there is that willingness to work together and to collaborate. And that's maybe just the Nova Scotia way. I mean you may not see that in other big cities, but we're small and we can do it, and there's a willingness to do it.” (Interview 8, health research employer.)

Some respondents questioned whether the resources available to support the creative sector are currently being deployed effectively. One respondent attributed what in his view is a failure to fully capitalize on Halifax's potential to be a world-class centre research to a sense of complacency:

“The card that is always played that seems to trump everything is, ‘well we just don't have the money.’ That becomes a bit of a self-fulfilling prophecy. So we could, if we were to invest wisely, we could actually make this the destination of choice for companies...It's my sense that we're not really particularly innovative or adventuresome when it comes to those kinds of things” (Interview 6, health research worker).

Another respondent cited a failure of management skills on the part of companies, who in his view should be placing greater emphasis on research and new venture formation.

The artistic community viewed lack of money as a concern but not necessarily an insurmountable barrier to pursuing projects. One musician respondent described his community as “[either] fighting about the money or they're all consoling each other and so happy that everybody's doing stuff despite the lack of money” (Interview 18).

Some respondents mentioned the Canada Council for the Arts as a critical source of funding, though other respondents stated that they find the federal government is not willing to support the arts in Halifax. Some expressed the view that other cities in the Maritimes receive greater federal financial support for the arts because of their weaker economies. One regional development intermediary respondent described Halifax as “trying to run to catch up to centres that are presently benefiting from federal policy” (Interview 17).

Overall, most musicians interviewed did not credit governmental financial support for their work as a factor enabling them to live in Halifax. Many did mention the slower economy of the Halifax area as positive in that the cost of living remains relatively affordable. One musician respondent described his low operating costs as “the indirect subsidy of this place being poor” (Interview 15).

Infrastructure

Respondents mentioned the public transportation system, the quality of the streetscape, and the variety of venues for showcasing local art as areas in which Halifax's infrastructure could be improved. A few respondents described a divide between the north and the south ends of the City, with some noting the racial dimensions of this dynamic. The North End, the Halifax Commons, and some areas of Dartmouth were noted as areas where some respondents would be potentially concerned for their safety, depending on the time of day.

The need for increased public transit and better options for alternative transportation are a key issue facing the HRM, according to many respondents. Suggestions for improvements included more frequent buses and a 24-hour ferry service between Halifax and Dartmouth. One consultant respondent proposed more artwork on the streets to increase the appeal of the city: "The whole urban setting doesn't work, in the sense of the materials they use, the interface between the buildings and the public spaces" (Interview 23).

Respondents were less uniform in their views on Halifax schools, with opinions varying as to whether Halifax is a good place to raise a family. On the whole, more respondents felt it was a good place for families though few had children themselves. No single location stood out as the area of residence for the majority of respondents, though some indicated that they believed those who can afford to rent downtown preferred the Capital District. Those who had purchased homes in the area noted the lower housing prices in Dartmouth; Clayton Park was listed as an affordable option for those with families.

For those who work in home-based careers such as music, the primary concern was the cost of housing and vitality of the neighbourhood, making areas such as downtown Dartmouth and the North End of Halifax attractive options. A respondent from the music production / recording sector explained that "the only reason that [living in the North End] really facilitates creativity is that I was able to find a space here that I could afford. But that's important." For those who worked outside of the home, such as employees in consulting and planning firms, commuting times constituted the deciding factor. For example, one employee from the health centre chose to live near her downtown office despite its higher costs.

"I know that closer to work is more expensive –probably why that I'm having the problem that I'm having. But I think that there's a trade off in that if you wanted to go further, then you have to commute, right, and so then the cost of gas is going to [increase?], however that works. So I live in the South End currently, and I like that area. There are other areas that I would prefer to be in at this point in time, but this was available at the time that I was renting" (Interview 9).

The centralization of research institutions in proximity to the universities was seen as a positive feature, though several respondents described the need for more 'collision space' where different sectors could come together and exchange ideas. One interviewee from the health research sector noted that there seems to be little informal interaction and

suggested that it might be increased through projects such as outdoor classrooms. Another respondent cited the new Dalhousie Life Sciences Research Institute as an example of a building that organizes office space in such a way that those in different disciplines might interact. Respondents agreed that changes to the built environment have the potential to facilitate greater collaboration between disciplines and increase productivity.

Several respondents noted that Halifax should have a professional organization that advocates for the interests of their sector. A music industry intermediary respondent stated:

“If we just had some kind of organization that was representative of a broad base, that we could really, really pressure the government, and the parties that may end up being government in the next election, to fund culture at a much higher level” (Interview 15).

A regional development intermediary respondent spoke about a recent recommendation to develop a young professional organization “to give that next generation a voice” (Interview 17). Another respondent from the music/cultural sector expressed frustration that the federal government groups Nova Scotia together with the other Atlantic Provinces during trade and tourism missions, as joint missions may not adequately represent the more diverse economy and population of the HRM relative to the rest of the Maritimes.

2. What evidence is there that the hypothesized relationships between quality of place and economic performance can also be found in mid-size and smaller urban regions?

Optimal size

Most respondents stated that although Halifax is limited in terms of markets and resources, they believe the city is the optimal size for their chosen lifestyle. Many noted that Halifax's geographical location in particular offers the ideal balance of urban and rural amenities. One respondent called it

"unique in the sense of the physical environments and the proximity to both rural and outdoor facilities as an urban environment. There aren't many cities that have a nice blend of those" (Interview 6, research worker).

The smaller size of the city facilitates the sense of community that exists in many sectors, as one respondent observed.

"If you're looking for the corporate lifestyle, then Halifax isn't going to be able to provide you with that. But if you're looking for a sense of community, I think you have to work a lot harder to find that in a bigger city" (Interview 3, consultant worker).

Almost every interview participant raised the importance of Halifax's natural landscape to the quality of place. Employers reported that the availability of the natural environment is

a selling point when attracting and retaining employees. Respondents spoke about finding inspiration from the natural environment. Respondents noted that a significant number of artists live outside the city centre. Even for those who remain in the higher-density areas, the city retains its small town appeal. One musician respondent who lived in Dartmouth explained.

"I also really like the sense of personal space. You can still find that in Halifax a little bit, 'cause the city's not so built up. It's not like Vancouver which is a lot of high rises... There's not so many people here that you can't manage it" (Interview 1).

A few respondents spoke about the slower pace of life as a positive feature. One musician who had returned from Toronto contrasted that city unfavourably with Halifax.

"It was bigger and busier and harder to be a self-employed artist living in Toronto because there's just something that felt different about not getting up and getting on the subway and going to work in the morning when I lived in Toronto, which is what everybody else seemed to be doing. Whereas in Halifax it's more a conducive pace to just kind of doing what I do and not feeling like I'm getting left behind or something" (Interview 7).

Several respondents identified the social environment of Halifax as preferable to that in Vancouver, with one respondent characterizing the latter as having a 'frontier mentality' that lends itself to competition.

Importance of collaboration

Every interview participant described the spirit of collaboration that exists in Halifax's creative sectors as highly important. Many respondents felt they receive a much greater peer support and more opportunities for collaboration in Halifax than they would elsewhere. One musician described his community as having an

"inter-dependability socially [that] is the greatest, the flat out greatest thing. Also there's the sense that if you want to hear something or see it, you will have to do it yourself. Chances are if you're doing it, nobody else is, and if there is, they are the only person. So you can learn from each other. I think all the people working in creativity are not working with a huge amount of competition. Therefore, what they do gets celebrated and scrutinized. In other places you may just be ignored" (Interview 25).

Respondents from the research community, who described their working relationships as collegial and non-competitive, also compared Halifax positively to other large urban centres where they could be working. One respondent articulated this as

"a different mindset of "how can I work together?" as opposed to "how can I build my empire?", which you do find in many large centres" (Interview 6, research worker).

Some respondents noted, however, that collaboration does not always happen to the degree that it could, "not because people are consciously opposed, but because they represent different institutional interests" (Interview 13, research employer).

Commitment to Nova Scotia

When considering why they or their employees have chosen to live in Halifax over other urban centres, many respondents noted the strong ethic of commitment to the province among native Nova Scotians. One respondent suggested that "people have a strong emotional connection to Halifax" (Interview 17, intermediary organization). This applies equally to Nova Scotians who have chosen to stay despite better opportunities elsewhere, and those who have left the province and are looking to return. For example, employers have had success recruiting those who left the province to go to university. As one employer noted after recruiting graduates from Simon Fraser University in Vancouver, "Almost every one of them was from here, or born here and went away. They all want to come home" (Interview 12, consultant employer).

Employers expressed a keen awareness of the importance that this emotional attachment to place plays in allowing them to retain staff. One consultant employer suggested that it is almost irrational for his staff to stay in Halifax: the salaries are lower, staff must be prepared to undertake whatever projects are available, and prospects for career advancement can be limited. However, most respondents believe that the positive aspects such as lifestyle, family ties, and proximity to the ocean offset the drawbacks of living in smaller city. In comparing cities, one respondent stated that

"I would not ever live in Toronto or Ontario. I like it here. I know many people who have gone to Ontario to find work. They spend two hours in traffic each day and [see] very little of their family" (Interview 11, municipal intermediary respondent).

In terms of those from outside the province, Halifax's quality of place proves particularly appealing to those from the West Coast:

"People from BC tend to jump from the other coast and not stop anywhere in between. So they like that they can actually get to the ocean, get to the beach, have that sort of lifestyle" (Interview 12, consultant employer).

Descriptors such as 'entrepreneurial' or 'artsy' were used to characterize the type of person to whom Halifax would have lasting appeal. Those who leave have different reasons. In explaining why one of his employees had recently returned to British Columbia, one respondent stated:

"His wife did not like it here....It wasn't cosmopolitan enough for them. If you're bred and born here you do stay" (Interview 11).

Many respondents stated that if they were to move away from Halifax they would consider either Vancouver or Victoria. Montréal and Toronto were mentioned as possible destinations that offer greater creative opportunities than those available in the Maritimes. One respondent characterized her choice to stay in Halifax as a compromise between these.

"It would be easier for me to get a job in Vancouver. It would be more satisfying to have a job in Montréal. Here in Halifax, I get a little bit of both (Interview 21, consultant worker).

Diversity and tolerance

All the respondents who provided their ethnic identity were of Caucasian origin, reflecting the consensus among respondents that Halifax is a fairly homogenous city. Those who remarked on it saw the lack of diversity as a negative quality, and compared Halifax negatively with cities like Montréal and San Francisco.

“For innovation and creativity, to me a place like San Francisco has got diversity. I think the diversity actually helps people be who they are and express themselves in whatever way they want to. There is something about that, which then allows you to develop your own kind of thing, whether that’s work or personal” (Interview 19, research worker).

Several respondents perceived ongoing racial tensions in the city between the white majority and the aboriginal and African Nova Scotian populations.

“We have some work to do in terms of accepting people; even our own native people, the African Nova Scotians or the Mi’Kmaq, I think we have some work to do there and we’re not admitting it. So until we admit it, we’re not going to do anything about it. We’re not even admitting it yet. We’re pretending to be very open and welcoming and friendly to newcomers, but we’re not even that way to our own” (Interview 16, regional development intermediary).

Another respondent who had traveled extensively said that the racism and sexism he encountered in Halifax was the worst he had ever seen.

A few respondents distinguished between friendliness and acceptance. They said that while Nova Scotia may have a reputation for being friendly, that may not signal tolerance on a profound level.

“We see people of different races and colours here, but they are usually from offshore or come from other places. I think we like to think of ourselves as tolerant, and I think that certainly most people in the academic community are, but I’m not so sure if you kind of drew back, went up to twenty or thirty thousand feet, if we would be as uniformly tolerant as we would like to think we are” (Interview 6, research worker).

Respondents saw immigrants with limited language skills as particularly vulnerable to discrimination.

“There aren’t a lot of languages spoken here so if you don’t have a good hold on English, then things are difficult here. I mean, I’ve noticed that...it’s brutal. If you don’t speak, or you speak broken English, or if you have any kind of accent, people just treat you like a second-class citizen” (Interview 24, consultant worker).

Immigration

Employers from consulting and research sectors expressed a high level of frustration with the current immigration system. Many noted that hiring a foreign worker is an expensive

process that is difficult to navigate. One research employer intermediary stated, “It’s like the right hand doesn’t know what the left hand is doing. In any case you want to get people, but they can’t get visas. The government encourages recruiting immigrants but the other part says ‘you can’t get a visa’” (Interview 14).

Another respondent called it next to impossible to successfully bring a qualified worker from another country. To begin the process, the employer

“need[s] to go to three levels of government, two levels of government to do that, three different government departments. They have no clue. ‘How would I know that?’ So it can get very complicated” (Interview 16, regional development intermediary).

Employer respondents from the academic community did not seem to have encountered the same difficulties in obtaining student visas for their post-doctoral staff.

Predictions that Halifax will experience a worker shortage in the coming years has led the Chamber of Commerce to make the attraction and retention of new immigrants one of its policy priorities; however, respondents expressed doubts as to whether this strategy would succeed. One respondent estimated that

“We’re probably missing 5,000 [workers] by the year 2010. That may not be a creative class. I think personally, it’s a terrifically creative class. But retaining those people from those faraway markets is not just about making sure no one’s racist. I mean, this is a serious, serious, serious, serious endeavour and I don’t think we have the fortitude to do it” (Interview 22, consultant employer).

An employer from the consulting sector stated that he was no longer attempting to recruit employees from overseas, because in his experience they would leave once it became apparent that other cities offered better opportunities. Some respondents observed that while there may be untapped talent among immigrants whose credentials are not currently recognized, assistance would be required to help such individuals make the transition into the skilled labour market.

3. Are global decisions to invest in innovative activity and knowledge-intensive production anchored by regional talent pools offering distinctive capabilities?

Halifax as regional hub and port of access

Many respondents mentioned the contribution of the local universities to the regional importance of Halifax. The universities play a key role in the economy of the city, by providing jobs and by bringing in students to support local businesses and services. Respondents from the music sector stated that Halifax’s role as a ‘student town’ has allowed the music industry to flourish by providing new audiences and opportunities for live performance. Several respondents observed a culture of social drinking in the city, often with live musical performances. Research and consulting sector respondents identified the importance of students as future employees.

“Certainly I find having students in our environment makes it a much more vibrant, creative place to be. So by virtue of the fact that we have all these universities in this very small area, we have a very talented pool of student employees. And obviously those students go on to become your staff in centres and projects and things like that” (Interview 8, research employer).

In addition to being the regional anchor, Halifax is a port of access with a major international airport that offers direct flights overseas. Several respondents stressed the value of ongoing connections with larger urban centres to their professional life.

“I need to really have a lot of these national and international connections to keep me going. If I was just here and dependent on this environment, I would die” (Interview 19, research worker).

Halifax’s reputation as a tourist destination, in combination with the availability of direct international flights, allowed it to become a popular location for conferences. These factors facilitated further collaboration:

“The other really interesting element to this is that we do a lot of international collaboration. People actually like to come here for a holiday. So they can combine the work with coming to a really nice place” (Interview 19, research worker).

Though most respondents the availability of international flights represented a positive feature a few expressed concerns that the decreasing isolation may affect Halifax’s distinct identity. One respondent explained:

“That’s part of why I think that people are so creative here and I’m worried that will disappear as the airlines and travel links get better, is that we’ve had to entertain ourselves for so long because people don’t come here. The museums don’t send their stuff here. Traveling art shows don’t come here” (Interview 15, music intermediary).

Another respondent noted,

“A lot of things in Halifax are the biggest ‘blank’ east of Montréal . That brings a certain cosmopolitan edge that a city of this size usually doesn’t have. If we were close to Montréal or Toronto we wouldn’t get the creative energy that is afforded here” (Interview 21, consultant worker).

Impact of mid-sized labour market

While most respondents believed Halifax to be the ideal size in terms of lifestyle, the labour market generated concerns. Overall, respondents agreed that the current market provides a wide variety of opportunities but can be limited in terms of advancement. One respondent characterized the situation as lack of thickness of the labour market, referring to the possibilities for career progression that ensure employees don’t have to leave to come back.

“When we fight above our weight class we are fighting with those who, probably on the job level, in terms of the depth, of the many jobs in a city of two million

versus our city with three times less the size. That's where we have some distinctiveness but we can't necessarily land the best punch" (Interview 17, regional development intermediary).

Another respondent described his company as having a 'limited radius' from which they can recruit clients. This limitation means that his

"Creative staff, they have to all be very flexible and adaptable. They can't become specialists in one particular thing. So if they want to be a specialist in something, they've got to go to work where there's a broader market" (Interview 22, consultant employer).

A few respondents from the private sector stated that they solved the limitations imposed by the size of the market by making Halifax their base of operations from which they seek creative work elsewhere in Canada or in the US.

The belief that young professionals must or should leave Halifax at some point in their career recurred frequently. One respondent from the academic community explained.

"I say this to students regularly: if you can get into, use Halifax in a way as your living laboratory, as it were, 'cause if you can get in there, if you can infiltrate the community here, and learn how to do that, and be comfortable with it, you can take that skill of how to get into the community and go [interviewee makes sound indicating speed] over to another community and do it, do the same kind of thing" (Interview 10, research intermediary).

Another respondent observed,

"After you get your PhD you can't really stay here and keep training and then want to get a job here, because they're going to say, 'everything you know we've taught you, so we're hiring somebody for double the price, who...isn't bringing anything we really need that we already don't have'. So you've really got to go away to come back" (Interview 5, research employer).

A respondent from consulting echoed this view.

"It seems quite prevalent that you're, you're considered a much more ...important contribution if you've gone away and come back....Go to Ontario, get your feet wet, see what you see there, come back. And you bring a lot of added value with you" (Interview 2, consulting employer).

The respondents from the music sector also expressed concern about the size of the available market, particularly for niche media such as theatre. The sense that limited resources and access to markets undermine career opportunities in Halifax is exacerbated by the lack of medium-sized performance venues

"If you're writing your own plays, staging your own stuff, you get to the point where you're beyond renting the turret at the Khyber or whatever, and there's nowhere to go. It's like between there and Eastern Front and Neptune [theatre companies], there is nothing. So all those theatre kids, all the writer-director types, they all move to Toronto and Montréal" (Interview 15, musician).

The respondent went on to explain that the depth of the labour market is also a problem

for the music community:

“We’ve got four or five full-time managers. They all have a full load. They can’t take any new artists; there’s no agents; there’s no music supervisors; there’s nobody engaged in any kind of music publishing or representation of publishers” (Interview 15).

Despite noting some limitations, respondents from the academic community seemed enthusiastic about Halifax’s potential as a research centre. For example, one respondent explained that Nova Scotia’s relatively stable population and its single payer model of health care (which limits points of entry into the medical system) create the ideal environment for population research.

“We could probably engage the community in various population research approaches that could, I think, make us world leaders when it comes to how to deliver health care better, how to help policy – all that kind of stuff. We could really do that and I think some people see that potential. But they just don't seem to just kind of say ‘let's go for it’, and put the resources in place to make it happen. So it hasn't happened yet” (Interview 6, research worker).

Recruitment

Overall, employers had little difficulty in recruiting workers from other destinations in Canada. One respondent stated that the only challenge was to convince potential candidates to come see the city.

“It's not very well-known so the big challenge is to actually get people down here. Once we get people to come and take a look at what's here, our success rate at recruiting people is very high” (Interview 6, research worker).

An obstacle to retaining qualified workers is the lower salary level, which may not necessarily reflect the cost of living. Several respondents mentioned that the region’s high income and property taxes affect the city’s long-term appeal. The cost of housing, which has historically been considered quite affordable, has increased in recent years. One research worker who is involved in the hiring process noted that

“Those new recruits that we're getting, they're seeing Halifax as a fairly affordable city, but they're getting a little panicky because they can see the trend is such that it's rapidly becoming a pretty expensive place to live...The housing has been a real trump card that we've been able to play, but it's less and less a good card. It's going to get worse” (Interview 6).

For professions that have training programs in Halifax (e.g. the graphic design program at the Nova Scotia College of Art and Design) recruitment from outside the city proves relatively rare, while finding qualified employees in the more specialized fields, such as landscape architecture, can be a challenge. Several employers from the private sector worried that their employees were being actively recruited by the public sector. The shortage of specialized staff creates an atmosphere in which private companies feel they must ‘protect’ their employees, who represent a significant investment in terms of time and training.

A few respondents expressed concern that the current approach being taken by local businesses and government to recruitment is not sufficiently creative:

“In order to attract innovative people, we need to be more adventurous, risk taking and innovative. We need to explore things like day-care, social services, cultural events, and tax policies” (Interview 14, university intermediary).

Respondents criticized the current provincial tourism and marketing strategy for lacking creativity. Some found that it presents only one side of Atlantic Canadian history:

“I find this whole myth of the Celtic very frustrating... Not only is it a fiction now, it is a historical fiction. It is a rewriting of history. It is problematic seeing how it writes African-Nova Scotians out of the picture; it writes German-Nova Scotians out of the picture; it writes aboriginal people out of the picture and it largely writes Acadians out of the picture. This fictionalized Scottish/ Celtic world is a minor reflection of the real Nova Scotia” (Interview 25, musician).

Other respondents believed that the region has overemphasized the value of tourism to the real economy.

“If we talk about economic diversity and look at the singular focus on tourism with almost the exclusion of all others you see the province driving advertising campaigns with a narrow focus. A museum is not something a person can live in. In effect they present a city that is not meant to be lived in, but one to be consumed and then disposed of” (Interview 21, consultant worker).

Conclusion

Halifax is uniquely situated among Canadian cities: it is a regional hub isolated from central Canada, yet directly connected to international centres of innovation. While social dynamics play a vital role in the creative economy of Halifax, the particulars identified differ somewhat from those hypothesized to be important in larger centres. Despite consensus that Halifax is a culturally conservative and ethnically homogeneous city, respondents did not see those factors as the most significant barriers to greater innovation and productivity. Rather, the principal challenges respondents identified included lack of political support, ineffective municipal policies, and insufficient funding for the creative economy. These findings suggest that for the creative class in Halifax, concerns about political and economic conditions take precedence over social issues such as a lack of diversity or tolerance.

In terms of positive features, characteristics frequently cited as increasing Halifax’s ability to attract and retain creative workers included the strong sense of community and opportunities for collaboration, along with access to the natural environment. Notably, the determinants respondents used to explain why talented workers stay in the region directly connected to the smaller size of the city and the social dynamics of their employment sector. Many respondents believed that the support they received from their professional community would be greatly diminished by moving to a larger city. While respondents acknowledged that Halifax may have limited appeal to those seeking a

highly cosmopolitan lifestyle, the majority accepted the trade-off of fewer urban amenities for living in such close proximity to the natural environment in a relatively affordable city. Many respondents expressed a strong emotional attachment to the city; their individual stories revealed a commitment to staying in the province despite frustrations with the political and economic status quo.

Halifax's creative economy may have developed organically on the basis of the city's geographic, historical, and social strengths, rather than as the outcome of deliberate policies or incentives. The case challenges simple formulas that try to explain how Halifax's creative economy has prospered. Factors that may prevent creativity in one context may encourage it in another. For example, some respondents argued that Halifax's isolation is to its creative advantage because it does not have to compete with a larger centre, while others viewed the size of the market as limiting opportunities for growth.

The Halifax findings may lend support to Putnam's (2007) controversial findings that social diversity, social cohesion, and creativity may be less closely linked than Florida's (2002) theory might suggest. Homogeneity may contribute to strong social cohesion in Halifax. Respondents in Halifax identified social cohesion as firmly connected to creativity and economic performance. The data offered no evidence that social diversity is critical to innovation in Halifax. While talented and creative workers in Halifax have personal values that embrace tolerance and diversity, they choose to live in a place that exhibits limited diversity and that they perceive as relatively conservative. Despite the constraints, they develop and participate in vital social networks that contribute to innovation and creativity in the city region.

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