Cultural Policy, State Politics, and Rural Economic Development: Lessons From Maine

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ABSTRACT:
This thesis explores how political actors utilize studies of the arts’ impact on state economies to boost the significance of cultural policy within a given political environment. Specifically, this thesis explains how the current Governor of Maine, John Baldacci and the leaders of Maine’s cultural policy bureaucracy utilized a study of creative industries’ contributions to the Maine economy to lead an effort to garner public support for a statewide cultural economic development agenda. In researching this topic, I have come to learn how an economic impact study in the hands of an ambitious and enterprising coalition of arts advocates convinced political elites and voters in an overwhelmingly rural state to embrace cultural development as an economic development strategy – a decidedly urban(e) phenomenon – via Governor Baldacci’s Creative Economy Initiative. Largely attributable to the state’s desperation for economic development, the anomalous political success story of the Creative Economy Initiative is a revealing one, providing a look at how cultural policy can garner high priority status on state policy agendas as well as lessons on how to make cultural economic development politically palatable in rural areas.

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In producing this thesis, I initially sought to reveal how statements and analyses of the arts’ contributions to local and state economies are used in state and local politics. But surprisingly, my investigation yielded very little in the way of publishable results. Arts advocates commission the production of such reports on a regular basis and, just as regularly, the reports serve the sole purpose of preserving and/or justifying state, local, and private appropriations for non-profit arts organizations.

Through speaking with active arts advocates and cultural policy gurus, by poring through newspapers, academic journals, and legislative documents, I have learned that economic impact studies are seldom subject to either intense or rigorous debate amongst elected officials in legislative halls. Economic impact studies simply fail to generate sustained, substantive conflict, the key ingredient of a good political story. Such analytic impact statements do, however, frequently stimulate discussion amongst academics as to whether or not the standard approaches for measuring economic impact can or should be applied to the arts. Thus, my attempting to make a case about the use of economic impact statements would have been futile; academics have exhaustively covered the issue. On the other hand, my original line of inquiry – how political figures utilize studies measuring the economic impact of the
arts and why – has too few case studies to explore, frustrating my efforts to form a solid argument one way or another. Nevertheless, I was able to unearth an unusual cultural policy case (born out of an economic impact analysis of the arts), in which a largely urban economic development phenomenon is being applied to a rural context, that merited further study. That case is the subject of this thesis: Maine's Creative Economy Initiative.

The term “creative economy” surfaced as a revolutionary concept in 2002 when the publication of economist Richard Florida’s groundbreaking *The Rise of the Creative Class and How Its Transforming Work, Leisure, Community and Everyday Life* (2002) proved a watershed moment for local and state politics, the arts, and economic development planning in the United States. Specifically, the book revolutionized the traditional view of economic development. Declaring that the type of human capital fueling the 21st century economy (1) is creative and entrepreneurial, (2) is more likely to locate in places where an eclectic, engaging mix of street-level culture and natural amenities are in abundance and, (3) is more prone to create jobs wherever they locate rather than merely follow jobs to specific locations, Richard Florida described a more intense interplay between urban planning, arts and culture, and economic development. Florida specifically downplayed the role of economic attributes often given the most attention by classical economists (i.e., taxes and wages) in the location decisions of talented
professionals, the siting of firms, and the establishment of entrepreneurial enterprises. Documenting the emergence of creative industries\(^1\) as the backbone of the competitive post-Fordist economy\(^2\) and highlighting the new role of the arts in economic development, Florida’s work galvanized the intrigue of elected officials and arts advocates alike.

Florida’s work suggested that localities that facilitated the lives and livelihoods of creative industry workers would effectively strengthen their respective economies. For many elected officials in the American Northeast and Midwest, where globalization had all but decimated urban smokestack industries that had long buoyed the regions’ economies, Florida’s research provided a platform for building an allegedly novel economic development policy agenda. In the wake of Richard Florida’s ascent to the top of the bestseller list, Boston Mayor Thomas Menino founded the Artist Space Initiative, a publicly supported program, operating under the Boston Redevelopment Authority’s Economic Development division, to produce affordable artist live-work space throughout the city, noting that

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\(^1\) Richard Florida’s concept of the Creative Economy encompasses not only the visual and performing arts but also research and development, software, broadcasting, design, music, film, gaming, architecture, advertising, publishing, crafts and fashion. The workers within these industries are designated as members of the creative class.

\(^2\) “Post-Fordist Economy” refers to a shift in the economic structure of the First World from an industrial, heavy manufacturing-based economy to an economy centered more on the service-sector and computer-based information industries (Mayer and Roth 1995).
artists “function as small businesses by providing jobs and services for Boston residents,” and help “transform marginal neighborhoods into dynamic communities.” In Michigan, a state infamously beleaguered by the economic decline of its cities, Governor Jennifer M. Granholm enacted a “Cool Cities Initiative” to “build vibrant, energetic cities that attract jobs, people, and opportunity,” as a “key component of [her] economic development vision” in 2003. Arts advocacy organizations, too, found Florida’s work useful; the groundbreaking book lent credibility to publicly supporting the arts while also providing a seemingly replicable research template for investigating the contributions of arts-related industries to local, state, and regional economies.

A fixture on The New York Times Bestseller List and a recipient of The Washington Monthly’s Annual Political Book Award, The Rise of The Creative Class became equally as influential in local and state politics as it was in popular culture. But a number of local and state governments began to ponder whether fostering independent music scenes and funding film festivals was as crucial to economic development in urban America as Florida suggested. Meanwhile, academics and advocates initiated a flurry of research activity on the creative economy, the creative class, and their impact on local

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3 http://www.cityofboston.gov/bra/econdev/EconDev.asp#13
4 http://www.coolecities.com
economies. While arts advocates have long presented economic impact studies of the arts to local and state political bodies as justification for public funding, often arguing that supporting the arts meant sustaining a vital contributor to the economy, such studies have rarely brought about significant shifts of cultural policy at the state and local levels. But the musings of Richard Florida have given way to a new dynamic; cultural policy has moved closer to the front of the line on many politicians' dockets. As the arts are now seen as part of the "creative core" of industries from which the economy now feeds, political actors including elected officials and voters, even those beyond major metropolitan areas may now - theoretically - appear considerably more conciliatory to arts advocates and the economic impact studies they generate.

This thesis explores this emergent dynamic and explains how and, to a lesser extent, why political leaders, specifically in rural areas, can effectively build coalitions and mobilize public support to engineer public policy that connects cultural development and economic growth in an era of pronounced interest in creative industries and cultural facilities as economic engines. A proper treatment of this phenomenon reveals what occurs when the functions of academic researchers, nonprofit advocacy groups, and entrepreneurial political leaders dovetail successfully. On the surface, the inquiry appears as a facile, if not superficial task. But given the difficulty that both policymakers and arts
advocates traditionally face in attempting to validate the arts as a means for jumpstarting otherwise moribund rural economies, there is much to be learned from examining how such efforts have achieved success.

Hopefully, this document can serve well those rural communities grappling with how to bridge cultural development with economic development, in particular by elucidating the political process by which one New England governor was able to launch a creative economy-based policy agenda on the campaign trail, after having been presented with an analysis of the sector’s contribution to the state’s economy.

Maine’s Creative Economy Initiative, initiated by democratic Governor John Baldacci, was selected as the sole case study for this thesis, as it is perhaps the most well-known case where an economic impact study of the arts and creative industries (including graphic arts, woodworking, and technology consulting) has given way to a remarkably wide-ranging policy agenda. The Federal Reserve Bank of Boston lauds Governor Baldacci’s Creative Economy Initiative as “the most comprehensive effort” to link cultural policy with economic development as Baldacci has “made the creative economy a central part of his economic-development program,” going “beyond community revitalization and cultural tourism to include efforts to develop local creative industries,” (Becker 2006). What makes
Maine's story even more magnetic is the state's rural character; for, the agenda of tailoring policy and urban planning efforts to accommodate the quality of life demanded by the highly productive creative class, as it is implied by Richard Florida, is a decidedly urban strategy.
Research Aims and Methodology

By exploring how the arts - broadly defined - have come to form the focus of an overwhelmingly rural state’s economic growth policy, I hope to illuminate lessons that can be employed by arts advocates, planners, and political figures attempting to help rural areas recognize and capitalize on the arts and creative industries as potentially robust engines of economic development. In analyzing the Maine case, I employ a methodology that traces the development of the Creative Economy Initiative from its conceptual infancy to the present day, while also conducting a stakeholder analysis. This methodology focuses the thesis on teasing out the activities and motivations that allowed the Creative Economy Initiative to evolve into a popular economic development policy in a most unlikely place, while also pinpointing ways for replicating and or adapting a similar process for cultural economic policy development in rural locations. Furthermore, by mapping the process of policy development, this thesis will explain the Creative Economy Initiative’s political success. The intended audience of political leaders, rural town planners, and arts advocates should be able to identify when, where, how, and with whom to package cultural economic development agendas in rural settings.
INTRODUCTION

- Managing a Shifting Economy: The Emerging Role of Public Support for the Arts

Public support for the arts has typically been fodder for political activity. Arts advocates, in their quest to secure public funding, especially in lean economic times, often rely on economic impact statements to win over politicos holding the purse strings. Economic impact statements or analyses are "usually designed to capture basic information on employment practices, expenditures, and revenues of nonprofit arts organizations" to convey "direct" or "primary" spending on the arts," (National Assembly of State Arts Agencies 1997). While such economic impact statements come in a variety of forms, they often include in their analysis staff positions created, salaries, taxes paid, capital expenditures, operating and production expenses, earned income, space rental income, corporate and foundation income, and public funding income, audience expenditures, and volunteers in calculating the economic activity generated by the existence of arts organizations (National Assembly of State Arts Agencies 1997).

Often such economic impact statements are derided by academics and, occasionally, political opponents for their flawed analysis and miscalculation. In 1987 Bruce A. Seaman, still an economics professor at Georgia State University, summarized the most common argument against economic impact statements of the arts when he called their use "an abuse of economic analysis" that obscured or ignored
"the most important concepts in economics such as opportunity cost, marginal versus total measurements, allocation of scarce resources versus distribution of income, marginally relevant externality versus intramarginal externality, and versus pecuniary effects," (Seaman 1987). David Cwi of Baltimore's Cultural Policy Institute deems analyses of the arts economy problematic not only because of their noticeable omission of crucial economic concepts but also in their varying and undeniably nebulous definitions of "the arts," (Cwi 1987).

Nevertheless, such analyses are just as often successful in garnering funding from public and private sources alike. In 2004, state arts councils in 34 states beleaguered by fiscal crisis succeeded in using economic impact statements to reduce or completely avoid planned reductions in public funding; 18 states even increased budget appropriations for the arts (The New York Times 2004). The key to these impact statements' political success is best described in terms of communication theory: "their execution and presentation...bridge differences, create identification, or establish communion between arts advocates and two primary non-arts audiences-public officials and business representatives-groups that are most able to increase financial support for the arts," (Radich & Foss 1987). More precisely, economic impact statements translate the existence of arts and artists into the language of political and industrial elites - dollars and cents, jobs and votes, investments and profits.
Such language has been particularly persuasive for urban political leaders given relatively recent shifts in America's political and economic environments. Since the 1970's, waves of political, economic, and social change have washed over America's industrial cities, situating the American metropolis in the center of a seemingly intransigent conundrum. Beset by the symptoms of globalization and the retrenchment of the federal government from urban policy (declining industrial employment bases, tax revenue, residential abandonment, costly infrastructure failure, social disorder, and diminishing fiscal resources) the post-industrial American city is overwhelmed with rising expenses while hemorrhaging investment and population at an alarming rate.

In result, fiscally strapped municipalities are in dogged competition for private investment to fill the void in their heavily depleted coffers and the decrepit empty spaces that dot their physical landscape. Such cities seek to rebuild their employment base, stem depopulation, and to ultimately generate tax revenue (Peterson). Struggling mightily to grapple with the result of these macro-structural changes, America's core cities have equated economic development with repositioning or redefining themselves to gain a unique competitive advantage within their respective regions and even the larger national context.
Within this context, municipalities have often invested in entertainment and cultural facilities to serve as the defining economic development agent (Eisenger 2002). Over the course of the past 30 years, such proposed economic development generators have taken on many physical forms, including sports arenas, casinos, convention centers, festival malls, and visual and performing arts facilities. Urban political elites theorize that such projects “hold out the prospect of economic revival by bringing back the [suburbanized] middle class back into the cities from which it fled long ago...at least as free-spending visitors,” and thus position entertainment venues as “a keystone of their urban economic development strategy, hoping that they will generate ancillary investment, high employment multipliers in the hospitality and retail sectors, and local tax revenues,” (Eisenger 2002).

However, many of the entertainment and cultural facilities designed to quench cities’ thirst for private investment have often fallen short of local politicos’ high expectations. Scholarly assessments confirm that sports stadiums do not generate substantive economic development and fail to create jobs beyond the construction phase, and instead create public expenses through construction overruns, financial incentives, tax abatements, and infrastructure requirements (Long 2005; Rosentraub 1997; Sanders 1992; Gross, 1997). Similarly, convention centers and festival malls arguably create far more costs than benefits for cities (Sanders 1992, Sagalyn 1989). And, ironically, these facilities, expected to
drape originality and uniqueness on to the spaces they occupy, have become so effective at infiltrating almost every major American city that they are now ubiquitous and considered mundane.

Despite the fatigue from decades of this repeated trial-and-error approach to economic development, many economically depressed localities remain open to developing new concepts for attracting revitalizing revenue sources – and many are looking to the arts and culture as their saving grace. The publication of Richard Florida’s *The Rise of the Creative Class and How it’s Transforming Work, Leisure, Community, & Everyday Life* in 2002, a book that emphasized the role of cultural amenities, technological innovation, and diversity as the premier attractants of human capital and firms in the new economy, breathed an air of hopefulness into localities that otherwise seemed riddled with despair. By proferring that an eclectic array of recreational amenities – particularly “a vibrant music and performance scene” – could magnetize an area for revival, Richard Florida single-handedly crafted an urban agenda that, much like an economic impact statement of the arts, bridged the gap between the language of the arts and the lexicon of development-centric political actors (Florida 2005).

The enthusiasm generated by Florida’s oft-cited work produced a national – if not global - dialogue among economists and urban planning scholars and, moreover, a plethora of research touting the positive contributions of the arts to local and state economies. While many struggling U.S. cities and
governors of predominantly urban states approached such research with interest and intrigue – as they had almost every other urban development fad - this wave of research has largely failed to produce seismic shifts in state politics or economic growth policy in smaller, rural states, with one notable exception: Maine.
The Creative Economy Concept

"In the new global economy, Maine's Creative Economy Initiative will become one of a small number of engines that will revitalize our communities, especially our downtowns, protect and preserve the Maine landscape, keep our youth here in Maine, and attract new businesses and residents to our state."

Dr. Richard Barringer
University of Southern Maine
Muskie Center for Public Policy

In May 2006, an assorted combination of politicians and professionals, artists and activists, merchants and museum directors congregated in the small coastal city of Rockland, Maine. This eclectic assembly descended on a storefront in this tiny, soggy province to celebrate the first anniversary of a little known group, the MidCoast Magnet, self-described as a "non-profit organization dedicated to vibrant culture, entrepreneurship bringing people together socially and professionally." Among the "diverse" all-white crowd, Governor John Baldacci converses with his captive audience after proclaiming that the fledgling MidCoast Magnet would "provide economic leadership for Maine" because of its cultivated collection of "'anchor tenants' — museums, theaters, and educational

5http://www.midcoastmagnet.com
institutions. In Maine, this is the creative economy at work. Strip away the quaint setting and this synergistic convocation of cultural creatives could easily have occurred in San Francisco, or Washington DC, or Austin, or any of the other revered megalopolises that Florida emphatically identifies as bastions of the creative class and archetypal examples of the creative economy. The MidCoast Magnet formed after its founding members met each other at Maine’s Blaine House Conference in 2004, where they heard Richard Florida speak. As we will see, this conference, which focused on the state’s economy and the potential for expanding the role of creative industries within it, served not only as a seminal moment for Rockland’s MidCoast Magnet, but also as a turning point for Maine’s Creative Economy Initiative.

In many ways, this gathering in Rockland microcosmically mirrors the much larger Creative Economy Initiative: a collective of small town artisans connecting with state policymakers in a mutually beneficial alliance speaking the language of Florida, all in the name of future economic development. But given the seemingly obvious mismatch between the cosmopolitan flavor of the creative economy concept and Maine’s otherwise vanilla provincialism, can the political fervor for Maine’s nascent Creative Economy Initiative be sustained? When, if ever, will the program fully take root? And will the

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http://www.midcoastmagnet.com
initiative’s goal – economic development – ever be fully realized? As the party’s attendees lift their
glasses to toast the first major milestone for the fledgling nonprofit, one can only wonder if it could very
well be the last.

Richard Florida’s definition of the creative economy refers to the synergy created in a regional
economy by an abundance of what he terms the “3 T’s of economic development: technology, talent,
and tolerance,” (Florida 2002). As “each is a necessary but by itself insufficient condition,” a locality
must have all of the 3T’s “[t]o attract creative people, generate innovation and stimulate economic
growth,” (Florida 2002). Spurning the traditional “firm-driven” perspective that regional growth
requires luring companies and solidifying high-producing clusters of industries, Florida’s creative
economy paradigm builds on the human capital theory of economic development. The dominion of
economists such as Harvard University Professor Edward Glaeser and University of Chicago Professor
Robert Lucas, human capital theory explains economic growth as a product of concentrations of highly
educated people (2002). A variant of the human capital theory, Florida’s creative capital theory
elegantly argues that “regional economic growth is powered by creative people, who prefer places that
are diverse, tolerant, and open to new ideas...[d]iversity increases the odds that a place will attract
different types of creative people with different skill sets and ideas...[p]laces with diverse mixes of creative people, who prefer places are more likely to generate new combinations[,] speeding the flow of knowledge,” (2002) According to Florida’s theory, this heavy concentration of diverse and newly formed types of knowledge drives and eventually results in “higher rates of innovation, high-technology business formation, job generation and economic growth,” (2002).

Florida frequently attempts to bolster his creative capital theory by analyzing quantitative data that represent the 3Ts and economic prosperity. Florida constructs statistical indexes such as the “Gay Index” and the “Bohemian Index” as a means of assessing a region’s diversity and relative tolerance. Furthermore, he argues that tolerance is an element necessary for economic development by describing tolerance as a proxy for low barriers to entry. A Talent Index representing the percentage of the regional population possessing at least a bachelor’s degree, an Innovation Index indicating the number of patents per capita, and a High-Tech Index measuring “both the size and concentration of a region’s economy in growth sectors” that involve high-tech industries, round out the quantitative measures Florida uses to establish indicators of regional economic growth (2002). An additional measure, the creative class index, measures the percentage of the regional labor force that participates in occupations that comprise
Florida’s definition of the creative class. By revealing the positive relationships among the indexes, Florida attempts to crystallize his theory and demonstrate the correlation between the coexistence of the 3T’s, the creative class, and successful economic development.

Hence, Florida posits that those regions optimizing talent, tolerance, and technology – according to the statistical measures he presents – are the most capable of attracting creative class workers and thus, have a competitive advantage over other regions in the race to increase economic activity; “in the creative economy, the ability to attract talent creates regional advantage,” (Florida 2005). Urban behemoths Austin, San Francisco, and Washington DC surface as the grand champions in Florida’s analysis.

Having seemingly provided quantitative evidence that concentrated populations of gays, artists, entrepreneurs and high-tech industries correlate with a high concentration of talented creative class workers, Florida illuminates the role of placemaking and amenities in cultivating the quality of life that successfully magnetizes locales and attracts talent. Specifically, the findings of Florida’s research

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7 The Creative Class defined in *The Rise of the Creative Class* encompasses workers in computer and mathematical occupations, architecture and engineering, science, education, arts, design, entertainment, sports, media, management, finance, law, healthcare, and high-end sales.
indicate that “as an industry’s need for high-skill and knowledge-intensive labor increases it is more likely to employ [and locate] in cities with high amenity levels” and that “high-skill and knowledge-intensive workers and the industries that employ them are more likely to locate in high-amenity areas, which tend to have higher costs of living,” (Florida 2005). This suggests that cost of living, often cited as a key factor in attracting human capital and firms, has diminished in significance. Meanwhile, amenities have become a priority for workers and, furthermore, for the firms that hire them.

But the amenities once demanded by workers of the now defunct industrial economy differ greatly from the amenity packages that attract today’s crucial creative class. Cultural amenities - the symphony, the opera, the theater, etc - and “big ticket items,” including chain restaurants and major league sports franchises, now “take a backseat to more open, inclusive and participative activities,” (Florida 2005). What’s now at the front line of desired amenities are “lifestyle activities” such as a “vibrant music scene, outdoor restaurants, organic supermarkets, and juice bars” in addition to outdoor opportunities such as “rowing, cycling, and rock climbing,” all easily accessible via public transportation (Florida 2005). Several key terms are repeated in the descriptions of in-demand amenity packages: diversity, accessibility, inclusivity, youthfulness, and connectivity.
Such key terms paint a very urban and, ironically, exclusive portrait of the creative economy. Richard Florida’s conception of the Creative Economy at work invokes an image of a concrete landscape lined with bike paths and filled with independent art galleries, bustling juice bars, and intimate cafes. As has been the case since the middle of the last century, the most diverse and most well-retailed locales tend to be the largest cities. Thus, it is not surprising that cosmopolises such as New York City, Boston, and San Francisco are among the top locations for the class of workers referred to as “the creative class.”
Questions and Criticisms

How do places such as Maine, places that are ethnically homogenous and still deeply engaged with a rural landscape and a decidedly agrarian culture, function and compete in the context of the creative economy? According to the 2000 Census, over 96% of Maine’s population is white. The Maine State Planning Office has characterized 30 of the state’s 36 counties as rural jurisdictions with population density below 100 persons per square mile over half the land area (Vail and Hillen 1996). But even more intriguing is the fact that the overwhelmingly rural Maine is pursuing a decidedly urban economic development agenda whose theoretical underpinning, on several measures, has failed to even fully explain growth in urban areas.

Several acclaimed scholars have raised serious doubts as to whether Florida’s creative capital theory effectively explains regional growth, raising even more questions as to whether Florida’s policy recommendations will generate economic development as promised. In his review of The Rise of the Creative Class, economist Edward Glaeser tested Florida’s hypothesis. Specifically, Glaeser designed an economic model, using data sets provided by Florida, that ran “regressions of population growth in the 1990’s [for 242 US metropolitan areas] on four measures” including the share of local workers
belonging to Florida’s so-called “Super Creative Core”, patents per capita, the Gay Index (number of coupled gay people relative to total local population), and the Bohemian Index (number of artistic professionals relative to local population) (Glaeser 2005). The results of Glaeser’s model indicated that the effect of super creative core workers, patents per capita, and the Gay Index on population growth were negative and insignificant, while the effect of the Bohemian Index was positive but statistically insignificant (Glaeser 2005). Glaeser, instead found that the percentage of college graduates demonstrated the most positive effect on regional growth, confirming his own human capital theory (Glaeser, 2005). Because Glaeser’s model utilized the same variables and, to a large extent, the same data inputs as Florida, his model proves particularly damaging to the credibility of the creative capital theory and casts a shadow on the outcomes of its application.

Also inspired by Florida’s work, Terry Nichols Clark of the University of Chicago’s Cultural Policy Center conducted a similar analysis on the effect of amenities on urban growth in 3,111 metropolitan U.S. counties and concluded that “college graduates are more numerous where there are fewer natural but more constructed amenities,” that “[r]esidents filing high-tech patents live in locations with more of both natural and constructed amenities,” and that “[w]hile p]ercent gays are stressed in
recent work on urban high tech growth…it had inconsistent or near zero relations with many factors plausibly explaining its dynamics,” (Clark 2002). Though Florida confidently proclaims creativity “is the principal driving force in the development, cities, regions, and nations,” empirical evidence provided by Florida’s colleagues suggests otherwise (Florida 2005). With the creative capital theory’s ability to accurately explain urban economic growth under assault, the potential for the theory’s principles to cultivate economic development when applied to a rural economy seemingly diminishes. Nevertheless, the Creative Economy Initiative has managed to generate much enthusiasm –and no palpable opposition - in Maine.
UNDERSTANDING MAINE

Maine’s social composition, economic history, and geography, while largely seen as impediments to economic development in the past, have managed to provide a welcoming political stage for the story of the Creative Economy Initiative to unfold. An introduction to Maine’s unique political and socioeconomic context is critical to fully understanding why and how the Creative Economy Initiative emerged and has since risen to new heights in popularity. According to the most recent US Census, Maine’s population is less than 2,000,000 and overwhelmingly comprised of Non-Hispanic whites, making it one of the least populated states in the United States – even with a land mass that is larger than the entire New England region – and the most homogenous state in the United States (Census 2000). 22.9% of Maine’s population over the age of 25 has at least a Bachelor’s or four-year college degree; 24.4% of American adults nationwide have at least a four-year college degree. Maine’s household income closely mirrors the country as a whole; while the US median household income (in 1999 dollars) was $50,046, Maine’s median household income was $45,179 placing it 28th out of 50 in the median household income category, clearly near the middle of the pack. The percentage of
households living in poverty in Maine stands at 7.8%, below the national percentage of 9.2%. Maine, on its surface, seems demographically monotonous.

But according to many insiders, Maine suffers from a social and economic bifurcation, resulting in there being, conceptually at least, two Maines. The first Maine consists of the state’s southeastern coastal counties, counties that prosper and thrive on their identity as resort towns. The other Maine is comprised of what are known as the Rim Counties, jurisdictions at Maine’s northern and western borders.

The Rim Counties have long suffered the reality of classic rural poverty: “[s]huttered factories, depressed housing markets, empty storefronts, farm fields grown up to hardhack and an exodus of the best and brightest young people,” (Vail 2005). Maine’s economy, like many states in the Northeast and Midwest, once relied heavily on the manufacturing sector. Maine’s post-World War I boom years saw the state lined with sawmills and shipbuilding plants, tanneries and ironworks that attracted immigrant laborers and built “an enduring pattern of rural one-factory towns and primarily one-industry cities”

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8 The Maine State Planning Office designates the following counties as the Rim Counties Washington, Aroostook, Piscataquis, Somerset, Franklin and Oxford.
statewide (Pohlmann and St. John 1999). Since at least the second half of the 20th century, economic restructuring involving outsourcing and the consolidation of Maine-owned companies with “growing national and international corporations which were free to move their operations to other locations,” has led to the decline of what was once Maine’s most crucial economic resource: manufacturing (Pohlmann and St. John 1999). The 1990’s only brought a hastened and more dramatic outflow of manufacturing jobs from the state as “intensified global competition, capital mobility, and technological advances” changed the face of the economy, causing 51 manufacturing layoff events and the loss of 17,000 jobs between 1995 and 1999 alone (Pohlmann and St. John 1999).

While the outmigration of both labor and manufacturing firms found in the Rim Counties is a phenomenon that also plagues struggling large cities hit hard by macrostructural economic changes, the rural context of the Rim suffers from a dearth of elements critically needed to develop an economy, making revitalization comparatively more difficult. In particular, “the sparse population and the lack of [a] critical mass of people and economic activity” complicates “[access to] necessary infrastructure, especially high-speed internet access, sufficient skilled labor and markets” and frustrates the process of “creating civic and social institutions and amenities attractive to entrepreneurs,” in Maine’s Rim
Counties. The lack of such critical necessities essentially nullifies traditional business-incubation initiatives and incentive-based economic development programs that often take root in and occasionally enjoy measurable success in denser, better connected urban areas with an abundance of infrastructure (Dickstein and Golden, 2005). Beyond the lack of a physical infrastructure, the great expanse of the Rim Counties' wilderness creates "[l]ong distances[,] mak[ing] it difficult for face-to-face contact," and the counties "rural culture is often resistant to change and innovation – the lifeblood of entrepreneurial activity," (Dickstein and Golden, 2005). The Rim Counties' physical and social infrastructure fails to facilitate the needs of high-growth startup companies that would otherwise locate in and potentially revitalize Maine's most economically deprived region.

With these challenges, progress in closing the divide between the Two Maines has eluded local and state policymakers. Maine's Pine Tree Zone program, an incentive program meant to attract new or expanding businesses (particularly high-tech and biotechnology firms) to eight targeted areas, has largely been used to re-open formerly closed mills and produce low-wage manufacturing jobs since its implementation in 2004 (Maine Department of Labor 2005). The Pine Tree Zone program's major success story, attracting communications giant T-Mobile to Maine, had the adverse effect of reversing
the decision of one of the state's largest employers – L.L. Bean - to expand and provide jobs via a call center "fearing a shortage of qualified workers," (Bangor Daily News 3/31/2005). Such a situation highlights the much larger issue anchoring Maine's Rim Counties: the lack of a critical mass of human capital.

But another critical factor constraining the economic development of the beleaguered Rim Counties is state politics. Since "nearly a third of Maine resides in increasingly urbanized York and Cumberland counties, where most of the recent economic gains have occurred" there is arguably a political will problem that further exacerbates the economic conundrum that imperils the "other Maine" as the Rim Counties are commonly referred to (Bangor Daily News 1998). Surely, as of 1998, "the 'other Maine' has produced eight of the dozen post-World War II governors, 11 of 16 Maine Senate presidents, 11 of 14 House speakers, and seven of eight U.S. senators," whose policy interests focused on bringing the economic success of southeastern Maine into the economically disadvantaged wilderness of the counties north of Portland (Bangor Daily News 1998). But after years of political wrangling and grand gestures, little has come of the repeated efforts to funnel prosperity into Maine's rural north. The apathy of elected officials representing relatively wealthy southern Maine have often
voiced their opposition to policies meant to focus exclusively on alleviating poverty in northern Maine; many southern Maine legislators repeatedly cite the state’s overall business climate as the critical factor in developing the Rim Counties and offer statewide policies with more widely distributed benefits as an alternative to narrowly focused, regional remedies.

Such impassioned pleas bespeak the fatigue brought on by decades of “silver bullet” initiatives that were meant to buoy the fortunes of the Rim Counties, but “never got off the ground” (Bangor Daily News 1998). Among the projects and policies meant to shape a more prosperous destiny for rural Maine were a hydroelectric plant proposed by then-President Franklin Roosevelt and a dam proposal that partially resurrected Roosevelt’s electric plant concept surfaced and failed to be implemented in the 1960’s. In the 1970’s, a government-subsidized sugar beet farm was attempted - only to fail. Later, an oil refinery project proposal appeared but was eventually defeated (Bangor Daily News 1998).

In this context, the Creative Economy Initiative – initiated by Governor John Baldacci, a former legislator whose district included the Rim – can be seen (at least partially) as a product of the path dependency in Maine economic development policy, as another grand scheme meant to lift the spirits and brighten the future of the “other Maine” whose nostalgia for its once booming one-factory towns
and bustling single-industry cities leaves the region blind to its own paralyzing capacity deficits. And continually grasping for the next big thing.
THE GENESIS OF THE NEXT BIG THING: THE NEW ENGLAND CREATIVE ECONOMY INITIATIVE

How Maine's persistent search for a replacement for its departed blue collar economy managed to coalesce with the New England arts community's perpetual quest for political leverage and public funding was largely through the mutual self-interest exhibited in the formation of the New England Creative Economy Initiative, a regional equivalent and precursor to Maine's Creative Economy Initiative. The regional cooperation of arts councils, business interests, and political leaders laid the groundwork for Maine's Creative Economy Initiative to emerge.

New England's regional business lobby initiated widespread interest in the creative economy concept prior to the publication of Richard Florida's *Rise of the Creative Class*. According to Beate Becker, a leading economic development consultant who has been intimately involved with cultural economic development initiatives in New England, a New England Foundation for the Arts report published in 1997 estimated the economic impact of the nonprofit arts community in the "billions of dollars," attracting the interest of the New England Council, a regional business lobby (Becker, personal interview). The Council specifically desired a way to boost cultural tourism and formed alliances with
the state arts agencies to study the idea; the six state arts agencies comprising the New England region’s arts policy administrators were receptive to the idea, as they wanted to be seen as “major economic players” to expand their political prestige (Becker). In the fall of 1999, the New England Council, the New England Foundation for the Arts, and the six state arts councils representing each of the New England states enlisted Boston-based consultants, Mount Auburn Associates to publish a study “examin[ing] the full economic impact of the cultural economy” (BusinessWire 1999).

The beginning of this study was a seminal moment in the development of what would later become Maine’s Creative Economy Initiative. Opening in the Berkshires at Tanglewood, the site of the renowned Boston Symphony Orchestra’s summer music festival, with nearly 100 business, government, and arts leaders in the summer of 1998, the New England Creative Economy Initiative initiated an interdisciplinary dialogue concerning the regional economic impact of the arts. The diverse sponsorship of the Mount Auburn Associates study highlighted the nascence of a collaborative effort among the states’ major nonprofit arts organizations and the region’s major corporate lobby to consolidate their collective resources to propel the economic contributions of creative industries onto a regional stage. But more importantly, the unique engagement of government entities and private business interests in
the production of the study gave the final report an extra layer of credibility that many economic impact analyses exclusively produced by and about the non-profit arts community arguably do not receive. This also set the table for further public-private collaboration that would later prove critical in transforming the final results into policy and action.

Published in the spring of 2000, Mount Auburn Associates’ report, entitled *The Creative Economy Initiative: The Role of Arts and Culture in New England’s Economic Competitiveness*, provided a classic economic impact statement claiming that “the creative cluster,” loosely defined as “those enterprises and individuals that directly and indirectly produce cultural products,” supported 3.5% of New England’s entire job base – more than sectors such as software development or medical technology, industries that are often the target of economic developers and political elites for their perceived prospects for growth (Mt. Auburn Associates 2000). New England’s “Creative Workforce[,]...the thinkers and doers trained in specific cultural and artistic skills who drive the success of leading industries that include, but are not limited to, arts and culture,” was found to be highly entrepreneurial – 40% identified themselves as self-employed – and dynamic, possessing “many of the professional qualities required to compete in the New Economy [including] creativity and initiative,
design and technical skills, advanced conceptualizing and the ability to respond to rapid change” (Mount Auburn Associates 2000).

Mount Auburn Associates’ findings indicated that the arts and culture industries provided the ever-changing New England economy with human capital whose resiliency and dynamism was critical to recession-proofing the region. The report highlighted that the entrepreneurial spirit of the creative workforce makes it a reliable source of jobs, an element that has become increasingly important given the march of major employers exiting the New England region since at least the mid-20th century. Because of the shifting economy, the report noted, a pronounced increase in leisure time and wealth has created market demand for recreational products and experiences, availing opportunities for creative workers to fill the emerging and evolving niches. Moreover, the ultimately groundbreaking report touted that the creative cluster’s rate of growth outpaced the overall New England economy, capturing billions in revenues from outside the region, solidifying the cultural professions’ role as an economic sector with major growth potential (Mount Auburn Associates 2000).

The expansive scope of the Mount Auburn Associates’ report — it was touted as the first published economic impact analysis that went beyond measuring the contributions of the nonprofit arts
sector and included New England’s commercial industries – and the collaborative process that produced it, enhanced the report’s perceived explanatory power (Boston Herald May 15 2000). The interdisciplinary discourse that the New England Creative Economy Initiative triggered facilitated the crafting of a narrative that went beyond the simple translation of the language of the arts into the dialect of commerce that characterizes many economic impact statements. The Mount Auburn Associates report effectively contextualized its findings, relayed the ability of the creative economy to assist in securing New England’s transition into the post-industrial economy, and captured the attention of its broad regional audience in a revolutionary way.

The New England Creative Economy Initiative catalyzed a new way of looking at arts and culture that quickly caught on among business and political elites. President and Chief Operating Officer of FleetBoston Financial Chad Gilford, after reading the Mount Auburn report within days of its publication, remarked that “as a business person, I’m always looking for returns, and an investment in the arts and culture generates remarkable returns in the form of successful enterprises, a superior work force, high quality of life, and New England’s competitiveness” (Boston Globe May 16, 2000). Michael Greco, a senior member of bluestocking Boston law firm Hill & Barlow who later went on to chair the
New England Council’s Creative Economy Initiative Steering Committee, admitted that, after absorbing the findings of the report, “our information reveals that we [the business community] underestimated the arts’ impact on the economy” (Boston Herald May 16, 2000). The resonance of the report’s message galvanized business leaders, who out of their own self-interest, their own desire to maximize profit and reap the benefits of the growing creative economy, embraced the concept of arts and culture as economic engine.

The regional business community’s commitment to the New England Creative Economy Initiative produced a corporate-led cultural economic development agenda that enticed political elites, already allured by the potential applications of the report’s findings, to strike synergetic public-private alliances on a regional level. Maine’s leaders would later attempt to replicate such alliances on the state level. Building on the analysis presented in The Creative Economy Initiative, the commercial elites operating the New England Council set out to uncover ways that “business, government and arts communities...could encourage and develop further economic growth... [with] policies and programs that harnessed the power of [the creative economy] sector” (New England Council 2001). The outcome of this investigation, published in June of 2001, The Creative Economy Initiative: A Blueprint for
Investment in New England’s Creative Economy, recommended ten major action initiatives that prescribed an intricate web of public-private interactions that would fulfill four related policy goals. One goal involved organizing at the regional level to “promote the sustainable economic development of New England’s culture-based creative economy” requiring the formation of a Creative Economy Council and a formal research program for “understand[ing] and respond[ing] to the needs of the sector” (New England Council 2001). Functioning as a multidisciplinary body, the newly established Council would support efforts to meet the Blueprint’s other three goals of strengthening, expanding, and enhancing the creative cluster, the creative workforce, and creative communities for the sake of fortifying the regional economy against the still whipping winds of globalization.

The Blueprint itself provided a recipe for connecting the functions of the for-profit, non-profit, and government worlds in a mutually beneficial relationship. Maine’s governor could easily build on the work of The New England Council to provide at least a recommendation for remedying the desperate economic paralysis of Maine’s Rim Counties region. Additionally, the New England Creative Economy Initiative concept presented an attractive model of cross-sector coalition building that, theoretically, could prove useful in securing successful re-election if initiated by a political elite. On the surface, the
Maine Creative Economy Initiative as a statewide initiative holds the potential to develop the rural Rim County economy without upsetting the furor of southern Maine legislators who, as previously mentioned, detest economic development policies specifically tailored to the “Other Maine.” Most importantly, the initial work of the New England Creative Economy Initiative pinpointed the creative economy as an economic growth sector with incredible growth potential and resiliency while providing a broad policy agenda and organizational infrastructure that Maine could easily tap into for developing its own initiative. The New England Creative Economy Initiative, in essence, provided a blueprint for branding the creative economy as Maine’s next big thing.
THE ADVENT OF THE CREATIVE ECONOMY IN MAINE

- The Gubernatorial Election of 2002

Maine’s Creative Economy Initiative is a product of the ambitions of the well-coordinated Maine arts community that, out of its own quest for survival, successfully leveraged research on the creative economy concept to position the arts as a key ingredient of Maine’s much needed economic development and as a critical gubernatorial campaign issue during an election year. Having consistently demonstrated political savvy and a high level of organization under the watch of Maine Arts Commission Chair Alden Wilson, Maine’s cultural organizations strengthened their collective standing with key political figures in state government, making them an influential lobby during Maine’s 2002 election. Recognizing the significance of the state economy as an election issue and possessing a novel way to solidify their power, by linking the arts with the economy, Maine’s arts and culture lobby capitalized on its existing political prominence by allying with gubernatorial candidate John Baldacci to present the Creative Economy Initiative as part of his campaign platform.
Maine’s arts community demonstrates an unusual solidarity. As in many states, the cultural bureaucracy in Maine includes various agencies such as the Maine Arts Commission, the Maine Historical Society, the Maine State Library System, and the Maine Office of Tourism. But unlike other states, Maine’s various culture-related offices and agencies, according to Maine Arts Commission director Alden Wilson, comprise a Cultural Affairs Council designed to create “cooperative agreements” on state funding allocations and to collaborate in formulating ways to boost culture in the state (Wilson, personal interview). Led by Wilson, the Cultural Affairs Council succeeded in gaining credibility with the legislature because of the aforementioned collaborative work without creating enemies (Becker, personal interview). Alden Wilson claims that the Cultural Affairs Council presents a bipartisan mission, easing the rapport with the various legislative factions (Wilson, personal interview). Thus, the agencies that make up Maine’s cultural policy edifice have come to form a powerful lobbying body.

The increasingly astute members of Maine’s culture-related bureaucracy strategically employed the published work of the New England Creative Economy Initiative’s work to make linkages between the arts and the Maine economy. The two major reports published by the New England Council and Massachusetts consulting firm Mount Auburn Associates, *The Creative Economy Initiative: The Role of*
Arts and Culture in New England’s Economic Competitiveness (2000) and The Creative Economy Initiative: A Blueprint for Investment in New England’s Creative Economy (2001) not only provided direct insights into how arts and culture was interacting with the regional economy, but also offered an exemplary template for examining and measuring the contributions of Maine’s cluster of creative industries. The New England Creative Economy Initiative’s established roots in the business community and its interstate networks had already generated a positive and sustained interest among various influential individuals in the state, adding to the strong pool of intellectual tools, a wealth of financial and political leverage for building an arts policy agenda in Maine.

According to those involved with Maine’s Creative Economy Initiative in its infancy, Alden Wilson specifically “saw this [the creative economy concept] as a way to infuse new energy and resources into the [state] arts community,” and sought to construct a stage for Maine’s cultural community to shine within the overarching regional Creative Economy Initiative that had recently formed (Barringer, personal interview). Wilson proceeded to secure funding from the New England Foundation for the Arts to conduct research on the creative economy in Maine, which proved a trailblazing task as little had been done on the application of the creative economy concept in rural states.
(Barringer, personal interview). An enterprising Alden Wilson leveraged the resources of the New England Council’s Creative Economic Initiative to catalyze the economic impact research that would ultimately form the basis of Maine’s Creative Economy Initiative.

Investigations into the structure and function of Maine’s creative economy illuminated the creative economy not only as a growing sector of the total state economy but also as a viable policy frontier through which Maine’s cultural bureaucracy could achieve an elevated status in state government. Funded by the New England Foundation for the Arts, research exposing the economic contributions of Maine’s creative cluster identified the creative sector’s high growth potential. The findings illustrated that public support could accelerate the creative sector’s growth and maximize its contributions to the larger state economy. While it would be two years before the research reached completion and was published on a large scale, *The Creative Economy in Maine: Measurement and Analysis* unveiled that Maine’s tourism and recreation industries were top among the thriving industries driving Maine’s overall economy (Barringer 2004).

Furthermore, the findings indicated that the nexus between arts and culture and the tourism industry held much economic potential, potential that could be fully realized if given additional
promotion and support (Barringer 2004). The analysis was confirmed in an additional report commissioned by the Maine Office of Tourism in 2002, the *2002 Maine Travel and Tourism Study*. Such research gave Maine’s cultural organizations, guided by the vision of leader Alden Wilson, the intellectual ammunition needed to argue that arts and culture was a key to unlocking Maine’s growth potential, justifying an increased prominence in Maine politics and government.

Maine’s cultural bureaucrats effectively manipulated the gubernatorial election of 2002 as an opportunity to magnetize cultural policy as a defining campaign issue. From all accounts, Maine’s Creative Economy Initiative emerged on the campaign trail because of the drive of Alden Wilson (Becker, personal interview). Reportedly, Alden Wilson contacted Dr. Richard Barringer, who advised John Baldacci during the 2002 election, desiring to embed the creative economy concept into Baldacci’s still evolving campaign strategy (Barringer, personal interview). Barringer and Wilson began by introducing the creative economy in campaign speeches; the first speech mentioning the creative economy in May of 2002 received an overwhelmingly positive response as the idea of supporting the creative economy gave many of Maine’s towns an innovative alternative approach to economic development (Barringer, personal interview). At the same time, John Baldacci’s public espousal of the
creative economy set him apart from his three competitors by demonstrating his affinity for new solutions to old problems. In August of 2002, the Maine Cultural Affairs Council hosted a highly publicized candidate’s forum. The event permitted Maine’s arts community to continually shift public attention to the arts and its economic impact while providing a well-constructed format for Baldacci to shine brighter than his opponents. Having already shaped the Baldacci campaign to embrace and reinforce the idea of cultural policy as economic policy, the Maine Cultural Affairs Council’s candidate forum successfully magnified the creative economy as a major campaign issue. Evincing the public’s increased interest in Maine’s cultural policy since its linkage with the state’s economic health, the August forum hosted an overflow crowd (Keyes 2002).

Playing to the new found interest in cultural economic development, Baldacci presented a clearly articulated vision “Building Maine’s Communities through the Arts,” that would later become a component of his overall policy platform once he attained the governorship. The blueprint for weaponizing the arts in Maine’s fight for a competitive economy was also published in the Fall/Winter 2002 issue of Maine Arts Mag, as a “five-step proposal stressed the importance of arts education, the New Century Community Program, downtown revitalization, sustainable development through cultural
tourism, and research into the impacts of the creative economy,” (Andresen 2003). Baldacci’s vision aligned perfectly with a well publicized session held by Alden Wilson in October 2002 identically titled, “Building Maine’s Communities through the Arts,” in Aroostook County, one of Maine’s deeply impoverished Rim Counties (Brown 2002). The obvious coordination between gubernatorial candidate Baldacci and arts administrator Wilson firmly communicated cultural economic development as a means of invigorating Maine’s economy generally and that of the underdeveloped Rim Counties specifically. The rhetoric of the creative economy concept, as envisioned and ultimately communicated by Alden Wilson through John Balducci, served invaluable to the gubernatorial candidate, prescribing a treatment for the poor “Other Maine” without raising the ire of southern Maine politicians. The creative economy concept’s public characterization as a statewide initiative provided political stealth to a policy initiative designed to prop up the rural north’s perpetually depressed economy. But more importantly, the creative economy concept facilitated the ascendancy of the cultural policy bureaucracy into the public eye. Alden Wilson and the Maine Cultural Affairs Council effectively marshaled not only intellectual and human resources but the dynamics of the electoral process to buoy the Creative Economy Initiative and, in effect, their collective political future.
• The Baldacci Administration and The Blaine House Conference

The [Blaine House] Conference and the process leading up to it, which engaged some 950 people in regional planning meetings, gave birth not only to a state initiative, but also to a movement that has captured the imaginations and entrepreneurial impulses of hundreds of people across the state.

Kathryn Hunt, University of Maine

The success of John Baldacci's run for governor served as a mandate for Baldacci to implement Maine's Creative Economy Initiative, a policy program that would grant the state's cultural policy leaders long-desired financial and political dividends. On the second day following Baldacci's victory, Baldacci announced the Creative Economy Initiative as one of the 12 points in his policy agenda. After Baldacci's 2003 inauguration, he began assembling a steering committee to host a conference, focusing on how best to nourish Maine's creative economy, to be held at the Bates Mill Complex, a converted mill in Lewiston, Maine. Baldacci requested the conference be hosted by the Maine Art Commission and its emboldened director Alden Wilson (Wilson, personal interview). According to Richard Barringer, Baldacci advisor and chief researcher of Maine's creative economy, Alden Wilson served as the most important point person in the committee selection process; having "thought about this for years," Wilson crafted a committee of volunteers "selected on the basis of prominence, competence, and
political credentials” from a cross-section of political parties, geographic locations, and industries (Barringer, personal interview). In selecting steering committee members, there was also a palpable interest in enlisting members who already were involved in forming the regional cultural development effort; for instance, Christine J. Vincent, president of Maine Arts College was also a charter member of the New England Creative Council associated with the New England Creative Economy Initiative when selected for Maine’s steering committee. Maintaining close connections to the New England effort arguably allowed Maine to benefit from the greater expertise and expansive resources of the New England Council.

The Blaine House Conference supplied Alden Wilson not only with a medium for channeling his vision for broadening the role for cultural policy but also a stage for galvanizing the state’s leaders around that vision in an intimate but prestigious venue. The wealth of resources and symbolic imagery employed in fashioning the Blaine House Conference, during a year when the state’s coffers experienced a noticeable shortfall, signified Baldacci’s strong commitment to energizing the arts and culture as a fulcrum for the state’s economy. The conference also signified that Alden Wilson had fulfilled part of his mission, having insulated the cultural bureaucracy from retrenchment.
The Blaine House Conference proceedings of summer 2004, though it proved a pivotal moment in the development of the Creative Economy Initiative and marked the culmination of the state cultural groups' years of planning, illustrate the opportunities and constraints of adapting cultural economic development to the overwhelmingly rural context of Maine, issues and conflicts that have weighted down the Creative Economy Initiative politically and operationally. Keynote speaker Richard Florida opened the conference by highlighting the major issue hindering Maine's economic development: "Maine is strong in creativity, but lags in technology...there is also uneven development...[t]he southern portion of the state leads the north...you need to leverage your southern creative and technological resources." The uneven distribution of development and the lack of technology colored much of the breakout sessions and resounded through discussions comparing and contrasting Richard Florida's proto-urban creative economy to what Maine could use to jumpstart its own unique creative economy. Each of the sessions produced generic recommendations for how best to foster the much-needed boom in the creative economy foreshadowing how slowly the Creative Economy Initiative would develop. For the most part, the sessions' recommendations were broad, addressed the building of administrative capacity, beginning and ending with one sentence: "support cultural resources in local communities," "support smart growth," "improve ability to form connections" (Blaine House).
One particular breakout session specifically dedicated to and entitled “Creative Economy in Rural Places” underscored the lack of imagination in overlaying the urbane creative economy concept onto Maine’s backwoods. Only three recommendations came out of the session including addressing the north-south split by making policy meetings more accessible to northern Maine constituents, developing a statewide Creative Economy Policy to unite the constituency, and constructing better networks so that regions can learn from one another. While all of the recommendations produced by the session’s attendees addressed the issue of keeping the Rim Counties fully engaged in the state’s cultural economic development policy making, there is little discussion of how to magnetize or even build specific assets that would funnel creativity into the northern part of the state.

The irony of the session’s lackluster recommendations lies in two truths: the session was led by members of the few cultural projects taking shape in northern Maine and the Creative Economy Initiative was especially espoused by Governor Baldacci as a mechanism for inciting economic revival in Maine’s rural northern counties. If the region’s cultural leaders appear seemingly bereft of innovative ideas even after having operated in the rural context, then the idea of engineering the creative economy to reinvigorate the Rim Counties hardly seems positioned to bear fruit. Given that Governor Baldacci
essentially put his political career on the line by spearheading and promoting the Creative Economy Initiative as the transformative “next big thing,” he risks potential political backlash if this policy fails to generate progress in bridging the north-south divide.
THE AFTERMATH OF THE BLAINE HOUSE CONFERENCE

In the two years since the Blaine House Conference, the statewide activities of Maine’s Creative Economy Initiative have become almost entirely focused on building and supporting administrative bureaucracy, allocating resources, and developing rhetoric, all of which has boosted the financial and political fortunes of the state’s Cultural Affairs Council. John Baldacci, in a press release, announced The Blaine House Conference recommendations in September of 2004 with great fanfare, outlining actions steps that included the formation of a permanent council focusing on the creative economy, the tasking of cabinet members to conduct additional research, the establishment of an Office of Innovation to advise statewide technology development (2004). In his January 2005 State of the State address, Baldacci revealed that he had signed an executive order establishing a 21-member Maine Creative Economy Council under the auspices of the state’s Department of Economic & Community Development (2004). Baldacci also heralded his budget’s support of hospitality education at the state’s public university system, declared his goals for passing civil rights legislation, and shared his interest in improving communications infrastructure throughout the state (2004). Clearly, the rhetoric sought to
address development of the 3T’s in Maine. But as of 2006, all of Baldacci’s attempts at passing gay
erights legislation, legislation that would have arguably demonstrated Maine’s commitment to tolerance,
have failed. Meanwhile, the critical communication infrastructure package has yet to materialize; instead
a “Connect Maine Task Force” conducts additional research into how to best encourage technological
innovation in Maine while Governor Baldacci drafts legislation to form an Advanced Technology
Investment Authority to direct and finance Maine’s internet communications upgrade (Bell 2006). To
say the least, Maine’s progress in meeting the needs of the creative economy has been slow and mired in
bureaucracy.

Despite the slow progress of state efforts, the Creative Economy Initiative has inspired Maine’s
cities to mobilize their own resources for cultural economic development. Portland and other urban
centers have been the sites of much of the creative economy activity. Recently, Portland officials teamed
with the Downtown District, a marketing and promotions group, and a downtown law firm to lay plans
for redeveloping Downtown Portland’s commercial spine as an arts district (Turkel 2006).

But the major political selling point for Maine’s Creative Economy Initiative - that the Initiative
would open the Rim Counties for increased development - has yet to be realized because of a less than
full understanding of how the creative economy operates. The collective works of both the Maine creative economy research and that of the New England Council that preceded tout the creative economy’s generation of higher-wage jobs as sufficient reason to nurture the creative sector’s growth, a point that Maine’s cultural policy makers seized on, capturing the support of Governor Baldacci (The New England Council 2000, Barringer 2004). But in the excitement generated by the Creative Economy Initiative several nuances about how the creative economy operates have been missed. Many of Maine’s rural strategies for harnessing the creative economy have focused on “attracting high-skill jobs (requiring high levels of education) and then in attracting the creative workers to fill them” (Hunt 2005). This has been most evinced in Governor Baldacci’s revision of the Pine Tree Zones; a tax incentive program initially intended to attract forestry and advanced technology firms to poor, rural regions now involves incentives for firms in the arts and tourist industries to relocate. In a functional creative economy however, attracting and cultivating human capital is the most significant process: “[t]he productivity of and earnings in a regional economy rise as the incidence of artists within its boundaries increases, because artists’ creativity and specialized skills enhance the design, production, and marketing of products and services in other sectors...helping firms recruit top-rate employees, (Markusen and King 2003). Markusen and King’s explanation of the creative economy aligns with that
of Richard Florida: accommodating artists and creative workers will generate a highly productive workforce, in turn attracting higher paying jobs. Maine’s tax incentive programs are, for the most part, the very thing that Florida and other proponents of the creative economy have discarded as comparatively useless in the current economy.

While many rural residents surveyed in Kathryn Hunt’s *Rural Maine’s Hopes for the Creative Economy* (a study dedicated to exploring remedies for improving rural Maine) perceive the creative economy as “the development of arts and cultural tourism, ecotourism, and cottage businesses based on the industry of handmade,” many fail to imagine how best to mechanize the rural north’s assets (Hunt 2005). What’s more, the quality and quantity of assets among rural towns vary widely, and create situations where the application of a “creative economy model of development may accentuate regional disparities that cannot be summarized as rural or urban, but by the presence or absence of creative assets and creative residents” (Hunt 2005). All attempts thus far to remedy the absence of such assets in rural Maine, namely information technology such as internet and cellular phone service as well as transportation infrastructure, have revolved around creating committees to begin additional studies; as remarked by Richard Barringer, the Creative Economy Initiative is still “in the research and
development stage” (Barringer, personal interview). The Creative Economy Initiative is largely what it was when it first began in 2003: a talking point.

Maine’s Creative Economy Initiative served as an effective policy vehicle for cultural policy bureaucrats looking to capture greater public attention, rally the interest of state elites, and ride a wave of popularity to secure a high priority position on the state’s policy and budget agendas. Alden Wilson, takes pride in (what he terms) the policy results of the last five years, specifically naming the increased visibility and credibility of the Maine Arts Commission, the attraction of more public support for the arts, the increased funding the Maine Arts Commission now receives (Wilson, personal interview). However, the political and economic promises of the Creative Economy Initiative for rural Maine remain largely unfulfilled. Despite various pronouncements emphasizing Maine’s pioneering of cultural economic development in rural areas, Maine’s Creative Economy Initiative remains relatively urban-centric in its implementation, supporting projects in Portland, the state’s largest city, and the vacation resort towns dotting Maine’s more densely populated southern coast. Maine’s leaders justify their Creative Economy Initiative as a way to bring higher paying jobs to Maine’s citizens. Yet cultural
tourism, arguably the creative economy sector that pays the lowest salaries, seems to be the sole topic of discussion among the Creative Economy Initiative's increasingly large group of bureaucrats.

Surely, the Creative Economy Initiative has begun a new conversation of how to put new wind in the sails of Maine's seemingly dormant economy. Certainly, the Initiative has succeeded in constructing a forum for debating how to proceed with injecting creativity into the rural north. But very little action has come out of all of this talk. As didactic handbooks for local Maine communities looking to harness the power of the creative economy hit the presses, there are many questions that remain unanswered. One can only wonder when or if the creative economy initiative will begin to set off revitalization in rural Maine. Many wonder whether placing cultural economic development so high upon the policy docket has ironically shifted attention away from what the state possesses. While the celebration of the Creative Economy Initiative, Midcoast Magnet's first birthday party rages on, a major employer in Rockland is moving on: MBNA, a corporate credit lender, will depart Rockland at the end of the year.

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Lessons from Maine’s Creative Economy Initiative

Maine’s acceptance and adaptation of the creative economy concept provides an alternative model of rural economic development that holds the potential to close holes left in the economy by globalization and the flight of major employers. The state’s Creative Economy Initiative specifically succeeds in focusing in on how to diversify the state economy, build on the state’s inherent assets, develop jobs that pay higher salaries than otherwise available, and incubate industries that have low barriers to entry and high potential for growth. However, our exploration of the Creative Economy Initiative in Maine also exposes pitfalls in the application of the creative economy concept that other rural localities ought to avoid. Below is a list of the major political and procedural lessons that other rural areas can learn from the Maine experience.

**Clearly define your creative economy:** While many major stakeholders in Maine support the Creative Economy Initiative, there appears to be little agreement among political actors on what the creative economy or the Initiative actually *is*, or even how it functions. Dr. Richard Barringer, one of Maine’s leading creative economy researchers, simply defines the creative economy as “the sum of the
technology and arts and culture sectors” (Barringer). Maine Representative John Eder of Portland, a self-proclaimed “frustrated rock star,” claims the creative economy concept centers on “building capacity…attracting creative people” from various industries who want to “live an examined life,” build “creative capital as social capital,” and whose diverse talents will synergize and fuel economic activity. Eder’s view of Maine’s creative economy mirrors the urban-centric position of Richard Florida. But economic consultant Beate Becker states that Florida’s conception of the creative economy “differs quite a bit” from what is envisioned in Maine. To Becker, Florida’s creative economy is “urban planning that uses culture as a means of attracting productive workers,” his broader view of the creative workforce, or what he called the “creative class” is actually “a knowledge class”; on the other hand, the New England brand of creative economy declares culture a producer of productive workers (Becker). Former Bangor Mayor John Rohman posits that Richard Florida’s creative economy theory was designed for rebuilding cities; Maine’s Creative Economy Initiative, however, is “just another alternative economic development strategy” concerned with getting “the critical mass” of creative industries by capitalizing on physical assets and new types of creative manufacturing (Rohman, Personal Interview). Alden Wilson, the architect of Maine’s Creative Economy Initiative, characterizes the function of the creative economy initiative as “attracting and building business, keeping young people,
invigorating rural Maine, and revitalizing the cities” and mostly expanding the economy beyond the business of “making widgets” (Wilson, Personal Interview).

Such disparate definitions of the creative economy and differing perceptions of how the Creative Economy Initiative operates indicates that there is possibly a missing link in the chain of communication and a strong need to disambiguate how the creative economy ought to function in Maine. This disambiguation would fully focus the Initiative and furthermore provide the opportunity to develop measures that articulate a clear vision for the creative economy.

**Spread the wealth:** When speaking of the Maine Creative Economy Initiative, many of the political leaders and policy makers listed examples of how the Initiative was working. Those archetypal examples almost exclusively involved relatively wealthy coastal towns in the southern or southeastern part of the state, with no mention of a creative economy development taking shape in Maine’s most economically depressed locales. This raises many questions as to how well the Creative Economy Initiative is engaging the poorer, less densely populated portions of the state, particularly the Rim Counties and the jurisdictions north of Portland that desperately need an economic development intervention. While the potential for the Creative Economy Initiative to spur revival in the Rim Counties
without alienating the political elites of southern Maine was one of the Initiative’s selling points, simply because any and all of Maine’s jurisdictions can benefit, there is little evidence that the promised revival is taking shape.

To fully market the Initiative as an economic development opportunity in those locales most in need of economic development, the state government ought to fund and establish regional creative economy councils throughout the state and employ knowledgeable regional creative economy supervisors. Providing necessary organizational infrastructure allows the community to engineer economically viable ideas while simultaneously supplying the technical support essential to implementing them. Additionally, having creative economy supervisors report to the state (as its agents) how and by what means the Maine Creative Economy Initiative is impacting regional development would allow a conduit for data gathering and the documentation of best practices, ideally informing the Initiative’s evolution and modification at the state level.
Have state government play the research and development role: Maine’s top-down but less than heavy-handed approach to fostering statewide cultural economic development serves as an efficient, non-alienating form of state policy implementation that is worthy of replication. Governor Baldacci has largely limited the Creative Economy Initiative’s operations to research, funding, and marketing. This has allowed for the study and discussion (at the state level) of new economic development ideas that Maine’s individual cities and towns can use to craft unique economic development projects and policies best reflecting and enhancing their distinctive contexts and community assets. Furthermore, the Maine approach sidesteps the political pitfalls that could arise from state officials unilaterally devising an invasive or out-of-context economic development project in any given community. On the other hand, Maine has been slow to translate the results of its research into supportive policies and funding for locally based creative economy projects; it would behoove Maine’s creative economy proponents and those in other states to set timelines with the intent to maximize effectiveness.

Organize interdisciplinary collaboration: Maine’s Creative Economy Initiative has successfully bridged gaps between the arts and culture sector and the business community by setting the table for innovative interdisciplinary collaboration in the Initiative’s planning stages. The Blaine House
Conference on Maine’s Creative Economy, the primary kickoff event of the state’s Creative Economy Initiative, hosted a diverse collection of attendees that kindled a vibrant discussion on the different ways the creative economy could be stimulated. By providing opportunities for cross-sector networking to occur, the state opened crucial lines of communication availing the development of lasting, mutually beneficial relationships that hold the potential for inventive entrepreneurship. As evidenced by Rockland’s Midcoast Magnet, such events as the Blaine House Conference also allow the creation of local level alliances that, in turn, spearhead creative economy-inspired organizations, seeding cities and towns with pioneering ideas and the networks to put them into action.

**Let research drive your effort:** To avoid investing in a policy agenda that is a mismatch with your jurisdiction’s economy, study economic trends and assess inherent assets. Using the work of the New England Council and consultant Mount Auburn Associates as a template, Maine effectively analyzed its economy, took stock of its assets and derived a homegrown formula for designing and implementing its Creative Economy Initiative, rather than cutting and pasting from Richard Florida’s *Rise of the Creative Class*. By examining the contours of Maine’s economy and identifying the industries comprising the creative economy as industries with high growth potential, the state avoided supporting an under-
researched idea. The Creative Economy Initiative in Maine, though only a few years old, appears to have generated substantial enthusiasm in Maine. This does not necessarily suggest that a similar initiative would function well in any and every state. Thus, researching the economy is critical in developing a cultural economic development agenda.
General and Background References

Books


**Articles, Reports, and Conference Proceedings**


*Interviews*

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