

The Creative Class, the Rise of the Global Fourth Place, and Frankfurt's “New Work City” at THE SQUAIRE

by Richard Florida, University of Toronto

We are in the midst of a deep and fundamental transformation in the nature of capitalism. The economic crisis of 2008 was more than just a transient correction; it represents the critical break point in the shift from industrial to knowledge-based and creative capitalism. Even as leading economic indicators are beginning to trend positively, the fact remains that our economy is undergoing a fundamental Reset. **Five key trends** illustrate how this new phase of capitalism, which is based fundamentally on ideas, is shifting the nature of economic competitiveness:

- **First**, economic competitiveness now turns less on access to natural resources or giant factories and much more on harnessing **human creativity**—from the R&D lab and design center to the factory floor.
- **Second, place is supplanting the industrial corporation** as the key economic and social organizing unit of capitalism. Density, the clustering of creative people—in cities, regions, and neighborhoods—provides a key spur to innovation and competitiveness.
- **Third, the rise of a new geographic unit** – the mega-region – is supplanting both the nation-state and the metropolitan areas of cities and suburbs as the natural economic unit. The world's 40 largest mega-regions—places like Europe's Amsterdam-Brussels-Antwerp, America's New York-Washington-Boston Corridor, Asia's Shanghai and Beijing axis, and India's Mumbai-Poona and Bangalore-Madras corridor—produce two-thirds of the world's economic output and nine in ten of its innovations, while housing less than 18 percent of its population.
- **Fourth**, innovation, competitiveness and rising living standards now require an increased and accelerated **velocity** for moving goods, people and ideas.
- **Fifth**, we are now seeing the rise of **new environments for living and working** which leverage these trends – harnessing and tapping the creativity of the largest number of workers, bringing people together in dense and flexible and arrangements, and accelerating the velocity of people and their exchanges. These experiments are in their infancy, but point the way to a more prosperous future.

The role of aerotropolises

In their new book, economic sociologist John Kasarda of the University of North Carolina's Kenan-Flagler Business School and Greg Lindsay make a powerful case for the role played by **aerotropolis** integrated innovation, production and logistic clusters that grow up around major international airports. *“Airports will shape business location and urban development in the 21st century as much as highways did in the 20th century, railroads in the 19th and seaports in the 18th,”* writes Kasarda. Instead of building or expanding airports on the peripheries of existing cities, aerotropolises, as their name implies, form the nuclei of whole new cities. These aerotropolises, Kasarda explains, are *“powerful engines of local economic development, attracting aviation-linked businesses of all types to their environs. These include, among others, time-sensitive manufacturing and distribution; hotel, entertainment, retail, convention, trade and exhibition complexes; and office buildings that house air-travel intensive executives and professionals.”*



Frankfurt Airport City and THE SQUAIRE

Frankfurt International Airport has long been a global and a regional hub and a center for business activity. The ninth busiest airport in the world, it serves more international destinations than any other airport; it is Germany's busiest and Europe's third busiest airport and it handles more cargo than any other airport in Europe except Orly. Global executives already do much of their networking at conventions and in hotels—and as often as not, in airports. I have booked many meetings at the Frankfurt Airport myself—it was as central and easy a location to get to as I knew of in Western Europe.

A thousand years ago, Frankfurt's location on the Main River made it a center for trade; its airport and highways and railroads make it a hub for business travelers today. Leveraging those locational assets, it provides a logistical nexus for the global Knowledge Class, a place that can speed the velocity of goods, people, and ideas all at once. Dubai's and Bangkok's proposed aerotropolises might be larger, but Frankfurt's existing airport already has the traffic—some of it travelers who are just passing through, others permanent residents of the city or region.

Located just fifteen minutes by car or train from downtown Frankfurt, it is easily accessible to Stuttgart and Mannheim, the other main cities in its mega-region, via the Autobahn. Frankfurt Airport's long-distance train station is the terminus of the Cologne-Frankfurt high-speed rail line, which links southern Germany to the Rhine-Ruhr region, the Netherlands, and Belgium at speeds of 190 miles per hour. Munich is also well-linked to the Frankfurt airport.

New Work City at THE SQAIRE

Leveraging all those locational assets, it provides a logistical nexus for the global Knowledge Class, a place that can speed the velocity of goods, people, and ideas all at once. And now Frankfurt Airport is also home to New Work City at The Sqaire which attempts to leverage all five of these new economic trends. With 23 million people producing \$630 billion in economic output, Frankfurt is at the heart of the 10th largest mega-region in the world and the fourth largest in Europe. But the logistic asset that The Sqaire represents spans more than just Frankfurt International Airport. Located just fifteen minutes by car or train from downtown Frankfurt, it is easily accessible to Stuttgart and Mannheim, the other main cities in its mega-region, via the Autobahn. Frankfurt Airport's long-distance train station is the terminus of the Cologne-Frankfurt high-speed rail line, which links southern Germany to the Rhine-Ruhr region, the Netherlands, and Belgium at speeds of 190 miles per hour. Munich is also well-linked to the Frankfurt airport.

The New Work City concept at the Sqaire seeks to leverage and act on both the mega-region and the aerotropolis, providing greater density of interactions, a new physical and social model for work, and a mechanism for speeding the flow of people, goods and ideas. New Work City also represents a break with traditional 20th century principles for airports and aerotropolis, filled as they are with sterile lounges and generic chain coffee shops that are poor substitutes for 21st century knowledge and creative working environments, which ideally provide both a relaxed atmosphere and the amenities needed for social interactions and the infrastructure (wireless access, meeting rooms, teleconferencing capabilities) required for business.



The Squire has the scale as well as the location to leverage the trends that are transforming capitalism. It is also a new model of working, specifically and deliberately designed for the needs of the global and mobile Creative Class. Project leaders say, *"Today's office workers spend less time at their desks. Instead, they are collaborating, learning and socializing with their peers in more open spaces, such as cafés or urban plazas."* Even with all the advantages of virtual communication—cell phones and iphones, Blackberries, the World Wide Web, video conferencing—personal interaction is vitally important.

The sociologist Ray Oldenburg famously wrote about the need for third places where we can seek refuge from both "the cabin fever of married life" and the pressures of work. *"The phrase 'third places,'"* Oldenburg wrote, *"derives from considering our homes to be the 'first' places in our lives, and our work places the 'second'";* they are the beauty parlors and post offices and pubs that we go to when we are looking for uncomplicated social interactions. Entrepreneurs and real estate providers are increasingly recognizing the need for what I call Fourth Places—urban/local infrastructures which allow us to be more productive; places where we can connect and engage and dialogue, but also where we can work.

The Squire with its New Work City concept aims to become a Fourth Place on a grand scale—a central, easily accessible place where business people can network in a leisurely but intensively productive manner.

Despite all the predictions that technology—from the telephone and the automobile to the computer and the Internet—would lead to the death of cities, the creative economy is taking shape around them. Urban density, the clustering of people and firms, is a basic engine of economic life. Place is the factor that organically brings together the economic opportunity and talent, the jobs and the people required for creativity, innovation, and growth. To a surprising extent, cities—and now mega-regions—are supplanting the giant corporation of the industrial age as the central economic and social organizing unit of our time.

Frankfurt was the home of Goethe and the Rothschilds and the Frankfurt theorists; it has a unique history and culture all its own. Frankfurt has a great university, a critical mass of existing businesses, and, most important, abundant human capital—which is to say, the millions of smart, creative, knowledgeable people who live and work in the area. As incubators and engines of innovation, cities are more important today than they ever were. The world's aerotropolises might become real cities some day, but they have a long way to go before they do.

In the meantime, a place like New Work City at The Squire provides the global business class with an opportunity to enjoy some of the benefits of clustering, even while they're on the move. That in itself is no small thing.