

Creative Class War: How the GOP's anti-elitism could ruin America's economy.

By [Richard Florida](#)

<http://www.washingtonmonthly.com/features/2004/0401.florida.html>

Peter Jackson, director of *The Lord of the Rings* trilogy, built a permanent facility in Wellington New Zealand--- dozens of Americans from places like Berkeley and MIT working alongside talented filmmakers from Europe and Asia, the Americans asserting that they were ready to relinquish their citizenship. Many had begun the process of establishing residency in New Zealand.

the industry most symbolic of America's international economic and cultural might, film, the greatest single project in recent cinematic history was internationally funded and crafted by the best filmmakers from around the world, but not in Hollywood. benefits from *The Lord of the Rings* is likely to accrue not to the United States but to New Zealand.

Other countries are now encroaching more directly and successfully on what has been, for almost two decades, the heartland of our economic success -- the creative economy ----- these have proved the principal force behind the U.S. economy's creation of more than 20 million jobs in the creative sector during the 1990s, even as it continued to shed manufacturing, agricultural, and other jobs.

now the rest of the world has taken notice of our success and is trying to copy it.

Cities from Sydney to Brussels to Dublin to Vancouver are fast becoming creative-class centers to rival Boston, Seattle, and Austin. They're doing it through a variety of means--from government-subsidized labs to partnerships between top local universities and industry. Most of all, they're luring foreign creative talent, including our own. The result is that the sort of high-end, high-margin creative industries that used to be the United States' province and a crucial source of our prosperity have begun to move overseas.

As other nations become more attractive to mobile immigrant talent, America is becoming less so. A recent study by the National Science Board found that the U.S. government issued 74,000 visas for immigrants to work in science and technology in 2002, down from 166,000 in 2001--an astonishing drop of 55 percent. ----- most of the decline in science and technology immigrants in the National Science Board study was due to a drop in applications.

In the 1990s, the federal government focused on expanding America's human capital and interconnectedness to the world--crafting international trade agreements, investing in cutting edge R&D, subsidizing higher education and public access to the Internet, and encouraging immigration. But in the last three years, the government's attention and resources have shifted to older sectors of the economy, with tariff protection and subsidies to extractive industries.

the internationalist Bill Clinton to the aggressively unilateralist George W. Bush

America is becoming more geographically polarized, with the culturally more traditionalist, rural, small-town, and exurban "red" parts of the country increasingly voting Republican, and the culturally more progressive urban and suburban "blue" areas going ever more Democratic.

Roger Pederson is one of the leading researchers in the field of stem cells. But in 2001, he left his position at the University of California, San Francisco, to take up residency at the Centre for Stem Cell Biology Medicine at Cambridge University in the United Kingdom. His departure illustrates how the creative economy is being reshaped--by our competitors growing savvy and by our own cluelessness.

top scientists and intellectuals from elsewhere are choosing not to come here.

"We can't hold scientific meetings here [in the United States] anymore because foreign scientists can't get visas," a top oceanographer at the University of California at San Diego recently told me

graduate students -- impressions have changed dramatically over the past year. They complain of being hounded by the immigration agencies as potential threats to security, and that America is abandoning its standing as an open society. Many are thinking of leaving for foreign schools, and they tell me that their friends and colleagues back home are no longer interested in coming to the United States for their education but are actively seeking out universities in Canada, Europe, and elsewhere. -- world musicians, South African singer/guitarist Vusi Mahlasela -Bogota-based electronica collective Sidestepper, had to cancel American tours because they were refused visas,

loss of access to high-level foreign talent hasn't drawn much attention from political leaders or media, reasons: We seem to have bigger, more immediate problems, from the war on terrorism to the loss of jobs in the manufacturing, service, and creative sectors to China, India, and Mexico. But just as our obsession with the Soviet Union in the last years of the Cold War caused us to miss the emerging economic challenge of Japan, our eyes may not be on the biggest threat to our economic well-being.

I been measuring underlying factors common to American cities/regions with highest creative economic growth. -applied analysis to northern Europe, findings are startling. The playing field is much more level than you might think. Sweden tops the United States on this measure, with Finland, the Netherlands, and Denmark close behind. - other cities are also beating us Vancouver and Toronto --- spectacular waterfronts, beautiful countryside, and great outdoor life. They're safe. They're rarely at war.

Bush chose senior advisors w/ a century-old flavor economic backgrounds. His vice president is an oil man. His treasury secretary, John Snow, is a railroad man. The White House's economic and fiscal policies have been similarly designed to provide life support for these aging red-state industries: \$190 billion in subsidies for farmers; tariffs for steel; subsidies, tax breaks, and regulatory relief for logging, mining, coal, and natural gas. Even Bush's tax policy shows the same old-economy preference. His dividend tax cut was supported by mainstream, blue-chip companies, which stood to gain, but opposed by high-tech executives, whose company stocks seldom pay dividends.