

*The New Wealth of Cities: City Dynamics and the Fifth Wave.* John Montgomery. 2007. London: Ashgate. 437 pages. £55.00 (Hardback) £27.50 (Paperback).

John Montgomery's accessible and ambitious book argues that we are on the brink of a new wave of wealth creation, with creative industries at its heart. The book is an excellent resource for students and researchers of city economies, urban planning and urban design, showing how economy, culture and design are interwoven in the dynamics of the city. However, it also serves as a toolkit for practitioners, providing guidance on "what city leaders should be doing now to secure prosperity in the future" (p362), which in my opinion undermines the book's scope for critical analysis and Montgomery's ambition to put forward a novel argument of city development.

Montgomery's argument that we have recently entered a fifth cycle of capitalist development is based on Kondratieff's theory that capitalism is subject to long-wave cycles of 45-55 years. The peak of the cycle is the point at which existing technologies have been exploited fully, thereafter growth slows and only picks up again with a new generation of innovation. The technologies of the fourth wave (1948 to 2002) were based around new innovations in defence, aerospace, electronics, television and popular recorded music. The height of this wave was between the 1950s and early 1970s, after which the failings of Keynesian economics and the stock market crash of 1987 caused a slump, which lasted until the late 1990s.

The fifth wave, argues Montgomery, is based on new industries including: biotechnology; pharmaceuticals; waste recycling and alternative forms of energy generation; software; mobile communications; and digital technology. Innovations in these industries have taken place over the last twenty or so years, but it is only now, he argues, that we will begin to see the real benefits in terms of generated wealth. This is an argument that requires substantiating, but is inadequately addressed in the book; indeed the focus of the book shifts very quickly away from discussions around the new technologies that form the basis of the fifth wave, to the cultural and creative industries. Montgomery explains this is due to the growth in creative industries being fuelled by innovations in digital technology and increasing consumer demand for bespoke artefacts, as it has become harder for people in western democracies to express themselves through possessions such as computers, mobile phones, stereos and televisions. This, Montgomery suggests, means "the more successful city economies will be those that have a good representation of the new economy and the creative arts" (pxx).

From the title of the book, I initially speculated that the fifth wave was another expression for the transition from mass production in manufacturing to a 'new age', variously described in the literature as 'post-industrial', 'post-Fordist', 'post-modern', the 'information age', 'flexible specialisation', 'the knowledge economy' and 'the new economy'. However, early on in the preface, the author argues that the fifth wave is not the end of industrialization; goods continue to be produced

albeit in lower-wage economies. What is not explained, however, is how the fifth wave relates to or is distinguished from the 'new' or 'knowledge' economies.

After a first chapter of theory, explaining the long-waves of capitalist development and a model of city dynamics comprising overlapping spheres of culture, commerce and built form, Montgomery then begins to deviate from what we expect to be his core task; to provide evidence that we are entering a fifth wave of wealth creation. The basis for the predicted upswing, namely the innovations of the last twenty years, is hardly touched upon again. Rather, his initial theory provides a platform for discussion of the importance of creative industries, arts and culture, urban design, entertainment and creative milieus in cities of the 'fifth wave'.

The book is divided into five parts. Part I focuses on the economy of cities and the leading industries of the fifth wave. However, it centres almost exclusively on the creative industries, with little or no attention given to environmental, communications and digital technologies, which Montgomery suggested at the outset are the key innovations driving the fifth wave. He justifies his focus on the creative industries by claiming that they are the fastest growing of all industries. However, the data he provides does not substantiate this claim, it suggests only that the creative industries are a significant and growing sector of the economy in some countries. Montgomery nonetheless provides a good summary of the current state of knowledge on creative industries. However, his overview lacks an analytical perspective; it omits key researchers on this topic such as Andy Pratt and draws heavily on studies by Comedia, where John Montgomery was a researcher.

Part II on Culture argues that artistic movements and waves of creativity are intimately linked to economic cycles and wealth creation. Before the mid-19<sup>th</sup> Century, wealth creation preceded and facilitated artistic development. Now they are more intricately linked; artistic artefacts and products have become the sources of wealth creation, an argument that resonates with Richard Florida's (2002) theory that creativity is a source of economic development.

Part III on Time considers public morality, the evening economy and drinking, arguing that modes of social control oscillate between regulation and liberalisation and are linked to waves of capitalist development. Peaks of wealth creation have tended to coincide with the most liberal behaviour, leading to concerns about public morality and increasing regulation as there is an economic downturn. At the trough of the wave, fashion is usually more formal and regulation is tighter. The recent liberalisation of licensing laws in the UK seems to be an anomaly that may, suggests Montgomery, lead to rising anti-social behaviour.

Part IV on Place provides an overview of the history of city building, showing how city form has adapted itself to the dominant economic production system of the time. Montgomery focuses particularly on how the built form of cities can support or hinder economic development, wealth creation and artistic creativity, and provides a total of 25 urban design principles for building good cities or districts. At this point in the book, one cannot help feeling that Montgomery has deviated

from his initial purpose; that his chapters on the evening economy and urban design are tangential to his core argument. Part V aims to pull together the previous four parts of the book in a discussion of how to achieve successful cultural quarters or districts within a city. However, this comes across as another diversion, rather than a conclusion. Montgomery does not convincingly argue in the preceding chapters that developing a cultural cluster is key to the success of cities, and yet there are over 60 pages of case studies and check lists identifying necessary conditions and success factors.

In summary, this book is thoroughly engaging and provides novel and interesting links between arts and culture, urban design and the economy. It would have benefited, however, from more thorough proof reading; there are numerous typos, which are irritating for the reader and taint an otherwise enjoyable read. The book's greatest shortcoming is that it fails to achieve what appears at the outset to be its primary purpose; providing convincing evidence that we are at the beginning of a fifth wave of wealth creation. Indeed, one cannot but wonder how speculations of a global recession in 2008 would fit within Montgomery's fifth wave model.

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