Market Trends

Tourism, Innovation, Creativity, and Growth: Advancing South Carolina’s New Economic Development

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By Dr. Rich Harrill, Director of USC’s International Tourism Research Institute and Alfred P. Sloan Foundation Travel & Tourism Industry Center

It is truly an exciting time to be living and working in South Carolina. As a South Carolina native, I have seen our state make great strides in the economic development arena despite the recession. As director of the International Tourism Research Institute, I am proud of the way our economic developers have embraced global competitiveness. All over the state, I have seen public, private, and nonprofit sectors work together to create a new economic development model for South Carolina based on many innovative ideas and initiatives. Fundamentally, however, this new economic development is based on the premise that knowledge and intellectual capital will play a central role in shaping our state’s fortunes in the 21st century. Blessed with ample sunshine, natural resources, and an intelligent, hard-working workforce, there is an increasing realization that a knowledge-based economy is the best way to
transform these world-class assets into benefits for all South Carolinians. Like pieces to a puzzle, these ideas and concepts are gradually falling into place.

So where does tourism fit into this economic development puzzle? What is tourism’s role in the New Economic Development? First, I will begin by offering two well-known assumptions about tourism:

(1) Tourism is an important form of economic development for South Carolina, creating jobs, taxes, and revenues.

(2) Tourism can be a catalyst for other forms of economic development in South Carolina, such as transportation, technology, real estate, health care, and energy.

Not an end in themselves, these assumptions mark the beginning of the discussion of how tourism can contribute to and help advance South Carolina’s new economic agenda. For the sake of convenience, I will group this discussion into: (1) innovation, (2) creativity, and (3) growth and development.

**Cultivating Innovation**

Prior to joining USC in March 2005, I was a Senior Business Associate with Georgia Tech’s Enterprise Innovation Institute (EII) in Atlanta. I witnessed firsthand how technology, innovation, and tourism converged seamlessly as an economic development strategy for the state of Georgia.

Featuring a mixed use commercial district that includes university facilities, a conference center with hotel attached, and commercial offices, Technology Square became a focal point for bringing prospects for new or expanded businesses to the state of Georgia (see Shafer and Wright, 2010). In this way, the campus of Georgia Tech became a "one-stop shop" for these businesses, supplying everything from financial packaging to technical assistance. Without tourism and hospitality in the form of lodging, restaurants, shops, and cafes, this district would be devoid of life and creative energy, essentially warehousing fledgling firms and forcing workers to live and play elsewhere.

In the past, many of these mixed use districts developed unplanned, driven by economics (low rents and reasonable mortgages) and demographics (young, talented renovators and entrepreneurs). Today, access to entertainment and events should be planned for and offered as an indispensable part of the package to firms considering relocation in South Carolina. For individuals, such amenities also help attract couples and families with advanced degrees from top schools in other regions of the country. It is not coincidental that in-town Atlanta has some of the most desirable residential Zip codes in the United States. In this way, tourism cultivates and nurtures the innovation that drives the New Economic Development.

**Overflowing with Creativity**

Having made the connection between innovation and tourism, it is necessary to go one step further and address the role of creativity as a force behind the new economic development—a synthesis of tourism, innovation, creativity, and growth. Although Richard Florida suggested in his seminal *The Rise of the*
**Creative Class** (2002) the relationship between innovation and creative communities, I would like to suggest a deeper connection. Environments with many things to see and do stimulate the senses, contributing to innovation. It may be possible that mixed-use districts stimulate creativity and imagination providing optimal experiences for people that live and work there.

In *Creativity: Flow and the Psychology of Discovery and Invention* (1996), the noted social psychologist Mihaly Csikszentmihalyi theorized that these flow states can lead to psychological growth and discovery associated with increased creativity and innovation. Coaches, trainers, and athletes are familiar with flow states as a context for peak performance—often referred to as "in a zone" or "in the flow." In the same way, music, food, art, and architecture concentrated in a single district may help create an environment ripe for dialogue, discovery, and innovation. Such districts can enhance focus and interaction by creating a landscape where students, residents, scientists, artists, and entrepreneurs can live and work alongside one another rather than segmenting spaces by activity or function.

**USC's Innovista** will be such a place, combining technology with arts, entertainment, and learning. Considered together, tourism and urban design complement one another in creating "creative workscapes" that spur entrepreneurship and technological innovation.

**A Balancing Act**
The beauty of these creative workscapes is that they can be created almost anywhere there is a critical mass of people and activity. This is important because the New Economic Development should address the great potential that lies in South Carolina's rural areas.

Nearly every time I conduct a public input forum in the state for a local tourism initiative, I meet new residents who have moved to South Carolina to enjoy its reasonable real estate, good weather, and cost-effective health care. Many of these new residents are baby boomers with talents, skills, and abilities that have the potential to make vast contributions to the New Economic Development. With appropriate investments in infrastructure, technology, and education, our state's rural areas can become new centers of growth augmenting urban economic development. Tourism can help transform empty storefronts into showcases for the arts, culture, and perhaps even business incubation. In addition, these areas must also have recreational amenities to offer new residents, such as parks, trails, and greenways.

As I noted in *A Strategic Tourism Plan for the Salkehatchie Region*, it is possible to combine hunting, camping, and historical amenities with cutting-edge technology and social media. Organizations with experience and expertise in rural tourism marketing and development such as the **South Carolina National Heritage Corridor** can play a key role in advancing the New Economic Development.
Final Thoughts: Barn Raising
There are no overnight success stories in economic development. Similarly, there is no New Economic Development without acknowledging the valuable contributions of our more traditional industries. Indeed, the planning for the future means preserving the best from the past upon which the future must inevitably build (Harrill, 2003). Our forefathers (and mothers) who came to South Carolina knew that determination, persistence, and perseverance were the keys to a success that was lasting and sustainable. These founders knew the value of hard work, deferring immediate gratification, and investing in the future. They also knew that survival meant setting aside differences and working together. In recounting an episode from this childhood in which families with few commonalities came together to build a barn for a neighbor, former Montana Representative Daniel Kemmis (1990) noted that:

The point here is not nostalgia. We cannot recreate the world of the frontier, even if we thought we wanted to. But there is something to be learned from the subtle but persistent process by which frontier families learned the politics of cooperation. They learned it the way almost anything worthwhile is learned—by practice.

In conclusion, I submit that we might think of the New Economic Development as a new kind of barn raising, using the best of the past and creating a bright economic future for all South Carolina residents. We must all keep in mind that such an endeavor will undoubtedly take a great deal of cooperation, patience, and practice from many different individuals, parties, and sectors—many of which have never worked together before. However, we have many tools to choose from and tourism is just one that most of us have shared, experienced, and enjoyed.

Dr. Harrill is editor of Fundamentals of Destination Management and Marketing (American Hotel & Lodging Association, 2005), the first comprehensive textbook for the destination management industry. He is also coeditor of the International Journal of Culture, Tourism and Hospitality Research and Research Notes Editor of Tourism Analysis. Dr. Rich Harrill is Director of USC’s International Tourism Research Institute and Alfred P. Sloan Foundation Travel & Tourism Industry Center. He earned his Ph.D. in parks, recreation, and tourism management and his master’s degree in city and regional planning from Clemson University. He holds a B.A. in political science from the College of Charleston. He has published his research in urban planning’s top three journals—the Journal of American Planning Association, Journal of Planning Education and Literature, and Journal of Planning Literature. In 2003, he authored Guide to Best Practices in Tourism and Destination Management (American Hotel & Lodging Association), with a second volume published in 2005.

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