

Ottawa Citizen

Ottawa ‘world leader’ of new economy

City well-positioned for the creative age, leading scholars say in release of \$2.2M study

By Lee Greenberg, The Ottawa Citizen February 6, 2009

TORONTO — The city of Ottawa, with its well-educated, service-oriented workforce, is ideally suited to a new vision of Ontario’s economy unveiled Thursday by two of the world’s leading scholars.

Urban theorist Richard Florida, author of the global best-selling book *The Rise of the Creative Class*, said Ottawa “is a world leader” in the ascent of what he calls a new, creative economy.

Mr. Florida and Roger Martin, dean of the University of Toronto’s Rotman School of Management, co-authored a 36-page, \$2.2-million study urging the province and businesses to boost education levels, wages, training and creativity as a means to a better economy.

According to the two men, Ottawa is closer to the goal than anywhere else in the province.

Forty-one per cent of Ottawa’s jobs are filled by the creative class — a trademarked term, according to Mr. Florida’s website — which is loosely defined as “people paid to think.”

Lawyers, scientists, business people, technologists, researchers, artists, entertainers, managers, analysts, teachers and doctors and are all examples of the high-paying jobs associated with this class of worker.

Toronto’s creative labour force is at 34 per cent, Kitchener’s is at 28 per cent and Windsor’s is at 25 per cent.

Mr. Florida said Ottawa has a unique combination of government, technology and university employment. He compared the city with its U.S. counterpart, Washington, D.C., which, because of its highly educated workforce, is surviving the recession better than any other American city, he said.

“I think what we’re finding is that those federal capitals (Ottawa and Washington) have enormous assets that we didn’t perceive,” Mr. Florida told reporters. “And we can expect them to grow.”

The report, entitled *Ontario in the Creative Age*, claims the province’s economy, which was once among the most innovative and competitive in the world, has lost considerable ground in the past two decades.

Ontario now ranks well behind competing U.S. jurisdictions in economic output per person.

At the same time, the province is in the midst of transitioning from an industrial economy based on physical labour to a service-based creative economy or, as the authors describe it, from jobs based on physical skills and repetitive tasks and into fields that require analytical skills and judgment.

Ottawa — along with Toronto and Kitchener-Waterloo — is well-positioned for the creative age and is placed in the most desirable of three categories of Ontario regions, whereas industrial cities like Windsor and Oshawa will need to retool to face the coming transition. Northern and rural Ontario regions are increasingly disconnected from the new order, according to the report, and are therefore placed in the lowest category.

“I think, to be quite honest, both Ottawa and Washington, D.C. are quintessentially post-industrial cities,” Mr. Florida told reporters, explaining their surprisingly advanced workforce. “They didn’t have the industrial base, not only of a Windsor or a Hamilton, but of a Toronto. So as they’ve developed, they’ve developed with a much higher concentration of people in the creative or knowledge-driven economy.”

The report also locates Ottawa as part of a “mega-region” that will play a key role in the future of the province. The mega-region, which stretches from Kitchener-Waterloo through Toronto and ends in Montreal, needs increased density and more effective infrastructure.

The authors wouldn’t say whether they were in favour of a high-speed rail line connecting Ottawa to Toronto, however.

The report, commissioned by the provincial Liberal government last March, seems likely to serve as the basis upon which Premier Dalton McGuinty will attempt to revamp Ontario’s economy.

In recent days, the premier has foreshadowed several major themes contained in the report, talking about raising post-secondary education levels, productivity, and making businesses more competitive. That message has been accompanied by a dire warning about the province’s economic wellbeing.

Mr. McGuinty has been mostly silent on possible solutions, however.

Thursday's report does not dwell on specific measures either, even as it calls for improved wages and creativity in routine jobs, higher productivity, a new social safety net system and 21st century infrastructure.

"We want to pose goals," said Mr. Florida. "We can't write the policy directions for the province. That's a legislative and political process."

One observer, NDP critic Peter Kormos, said he doubts whether the goals set out by the authors are achievable.

"The 'creative economy' ... is the flavour of the month. It's the current trend," Mr. Kormos told reporters. "But not everybody in our society, not every kid is going to get a university degree. Not every kid is going to get a college degree. What happens to those people in our communities who aren't going to become PhDs and masters in information technology?"

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