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RICHARD FLORIDA

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Time to break the town-and-gown barrier

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For lots of regions, especially declining ones, universities have come to be seen as economic saviours, at least since people started talking about Stanford University's role in the rise of California's Silicon Valley. One leading Valley entrepreneur, asked for "the secret" of the area's success, replied, tongue-in-cheek: "Take one great research university. Add venture capital. Shake vigorously."

Businesses, governments and economists talk of getting local universities more involved in technology transfer, commercial innovation and start-ups. "If only our university could be more like Stanford and MIT," they say.

The idea actually sells universities short. It oversells their commercial role and underestimates their other contributions. There are only a few instances where universities have played a major role in high-tech development — certainly Silicon Valley and Greater Boston, as well as Austin, North Carolina's Research Triangle and Waterloo, Ont.

It's more common for regions to export technology their universities create. Economist Michael Fogarty has found that while labs in Detroit, Pittsburgh and Cleveland generate plenty of patents, most of them find their commercial uses in Boston, San Francisco, New York or Tokyo.

Carnegie Mellon in Pittsburgh, where I taught for nearly two decades, is a centre for computer science and software innovation and has produced its share of stars in these fields. But little of the benefit spills over to Pittsburgh. Instead, talent is sucked up by the likes of Microsoft, Apple and Google. Kevin Stolarick, a colleague of mine at the Martin Prosperity Institute, says a university and a regional economy are like a transmitter and a

receiver: Amping up the transmitter's signal won't result in development if the region's receivers are broken.

As well, pushing a university to take on more commercial innovation can hinder what it does well, which is to add to the pool of science and technology from which private actors can draw. Researchers at Harvard and Columbia have shown that when university research becomes overly commercially oriented, it becomes more likely that scientists (or their private backers) will seek to restrict access to valuable findings, which slows down progress in key fields such as biotechnology.

Besides, the university is not a one-note samba. Its role goes beyond technology. Economic development today turns on three Ts — technology, talent and tolerance — and universities nurture all of them.

A 2006 study at the University of North Carolina found that universities influence [economic growth](#) more by building human capital — through students and faculty members — than by doing research and development. Great universities, with their star faculty members and standout research departments, have a magnetic effect, attracting outside companies, venture capitalists, laboratories and research institutes.

The syndrome of the "academic rock star" covered in a Globe Focus article last weekend (which cited me as one example) springs from that effect, but it also indicates the way university life is being commodified. It parallels the superstar, "winner-take-all" labour market that Cornell professor Robert Frank documents, which is not a good thing. Instead of a system where a few benefit from the work of the many (as all scholars stand on each other's shoulders), we need a system that recognizes and rewards contributions broadly.

In an idea-driven age, royalties rather than rents are the key economic output. We need new mechanisms to share them. It's what the Hollywood writers strike is all about. I am personally very worried about the commodification of creativity and the intellect inside and outside the academy.

The reality is that most regions export their talent. Mr. Stolarick developed a measure called the Brain Drain/Gain Index that compares the percentage of an area's population in college to the fraction of college grads in its work force. The upshot: Ten per cent of regions are brain gainers; nine in 10 experience brain drain.

The university's most important role today may be in terms of the third T: tolerance. Societies flourish when they are open to new people and ideas, while stagnating during periods of insularity and orthodoxy. Creative people vote with their feet and they tend to move away from communities where their ideas and identities are not accepted.

Some people call universities the Ellis Islands of our time, because of their numbers of foreign-born students. John Doerr, a Silicon Valley venture capitalist, has remarked that the U.S. should "staple a green card" to the diplomas of foreign-born engineering and science students who contribute significantly to the nation's innovative capability.

Until recently, however, universities have been somewhat insulated, often separating themselves from their neighbours. They have operated like old bohemian neighbourhoods once did, as distinct communities that accepted, even encouraged, eccentricity and difference. Today, their role in creating community attitudes has become more important.

Communities with larger shares of college students are in fact more tolerant toward new immigrants, gays and lesbians and other groups, according to research conducted by my team — especially in smaller communities that host large universities.

Rather than as an "engine" of development, then, think of the university as an ecosystem or infrastructure for a knowledge-driven, creative economy. The key to the future lies in building stronger bridges between universities and their surrounding communities. The old town-gown boundaries must dissolve until it becomes impossible to see where the university ends and the community begins.

In Georgia, the Savannah College of Art and Design grew by taking over old buildings in downtown Savannah, and became both a leading design college and a major force in the city's redevelopment. The University of Pennsylvania, which had a long history of local disregard, made enormous strides the past decade by supporting neighbourhood upgrading projects, buying goods and services from local businesses and making university services — health facilities, cultural activities and more — available to outsiders.

The University of Toronto, as I showed in a video essay on The Globe's website recently, is seamlessly integrated into its downtown community, as is also true of Ryerson University, the Ontario College of Art & Design and others — one of the most striking facts of Toronto's economic geography. (Readers from Montreal, Vancouver and other cities wrote to say that such integration was a constant in their communities too.) While Toronto schools may have lagged on commercial-technology transfer, these long-held, organic connections are a significant potential advantage in the long run.

Local leaders must also play their roles. Rather than pushing off the responsibility for generating growth and innovation to the universities, officials need to build better connective fibres. Providence, R.I., under its dynamic young mayor, David N. Cicilline, has worked hard to develop a model whereby local universities support neighbourhood redevelopment — the Rhode Island School of Design, for example, has developed studio space and student housing in old industrial buildings.

The old model of a university pumping out research results and educated students, or even commercial innovations and start-ups, are no longer sufficient. Business and political leadership have taken technology seriously; now, they must do the same with talent and tolerance. The places that don't will find that the discoveries and talent they produce will continue to migrate away.

*Richard Florida is the author of **The Rise of the Creative Class** and director of the Martin Prosperity Institute at the University of Toronto.*