

What Toronto Needs Now: Richard Florida offers a manifesto for a new model of leadership

The city's great period of growth won't continue if we don't enlist the best and brightest minds from Bay Street, the universities and the public sector

By Richard Florida | Photograph by Markian Lozowchuk



Richard Florida believes Toronto should take a cue from innovative city-building strategies in Silicon Valley and Chicago

In 2007, when my wife and I moved here from Washington, D.C., Toronto was ascendant. I'd been offered a job at the University of Toronto's Martin Prosperity Institute, a think tank investigating the competitiveness of cities. Toronto, it seemed to us, was an open, tolerant place offering a superb quality of life for its wide range of citizens. It was a destination of choice

because of its thriving, stable economy, world-class banks, medical centres and cultural institutions, safety and livability, and diverse neighborhoods. It appeared a model of social cohesion, where people from across the globe were attracted to the prospect of a better future. Toronto's best days were ahead.

Five years later, the city is at a crossroads. The mayor and a fractious council have been unable to provide leadership on Toronto's big problems: transit and traffic congestion, the future of the waterfront, increasing gun and gang violence, and the escalating price of housing, to name a few. Worse still, the city has become a more divided and contentious place, its once enviable social cohesion at risk, a growing split pitting downtown against the suburbs.

At a time when we need a denser urban core, more affordable housing, better transit and less reliance on cars—a way of living that clusters people together naturally, allows them to interact more freely and produces the sort of innovation that spurs economic progress—we have a mayor who stokes the urban-suburban divide for political gain, and a deputy mayor, Doug Holyday, who believes that downtown Toronto is no place to raise a family.

Torontonians used to chide me about the Tea Party and American intolerance. I'm no longer hearing those jabs. After all, Rob Ford was elected thanks to populist support from suburbanites—many of whom resent what they view as the privileged, libertine lifestyles of the downtown gentry, urban hipsters and unionized public sector workers.

A while back, at a dinner party, a friend who occupies a vaunted position in Toronto's entertainment industry asked me: why is it that Toronto can't attract the best and brightest to local office? World-class global cities face thorny problems that require top-flight leadership. In Boris Johnson, London has a media-savvy, Oxford-educated conservative mayor who cares deeply about the quality and diversity of his city. Rahm Emanuel in Chicago is an immensely experienced, extraordinarily capable former U.S. congressman and chief of staff to Barack Obama who is governing effectively from the left of the political spectrum. In New York, Mayor Michael Bloomberg, the billionaire businessman, is a pragmatic moderate who calls on the best minds from all sectors and strata. Even Newark, the city of my birth, one of the most economically disadvantaged cities in America, now has the dynamic Cory Booker, a Stanford grad and Rhodes scholar with a law degree from Yale University, as its mayor. Here in Canada, Vancouver has Gregor Robertson, a former organic farmer and businessman who's delivering on a green agenda and actively addressing homelessness, public health and affordable housing. And Calgary—to which Torontonians love to feel superior—has in Mayor Naheed Nenshi a young, Harvard-educated Muslim who's intent on reforming council and growing his prosperous city in a fair and sustainable way.

While other cities are attracting effective mayors from across the political spectrum, our mayor has become a symbol of Toronto's plight. Yet that plight is not of his making. Municipal governments across Canada have limited powers. Times are lean, which leads to shrill debate about how best to achieve these goals. Battles about bike lanes and library hours and plastic bags fill the daily media, but they distract us from the reality that the city's future is being shaped by global forces we ignore at our peril.

Cities are the key social and economic units of our time. The process of urbanization we've been witnessing in North America since the mid-19th century is happening at a hyper-accelerated pace in China and India. Rural populations are moving en masse to rapidly growing urban centres. More than half of the world's population already lives in cities; 40 years from now, two thirds will.

Canada, despite its large physical size and vast open areas, is one of the most urbanized places on the planet. Eighty-one per cent of its people live in a tiny fraction of its land area. And greater Toronto is the very centre of this urban nation, housing almost 18 per cent of Canadians and generating a fifth of the country's total economic output.

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The success of cities is powered by clustering and concentration—their ability to attract people, push them together in new combinations and spur productivity, creativity and economic growth. They are the places where ideas come to mate, and people and firms generate inventions and new industries.

As Michael Bloomberg recently wrote in the Financial Times, great urban centres, like New York, London and Toronto, can't outpace the rapidly growing cities of Asia or Latin America simply by offering lower costs, tax breaks or other subsidies. "For cities to have sustained success, they must compete for the grand prize: intellectual capital and talent," he said. "I have long believed that talent attracts capital far more than capital attracts talent. The most creative individuals want to live in places that protect personal freedoms, prize diversity and offer an abundance of cultural opportunities."

Globalization is creating a relatively small group of powerhouse mega-regions. The 40 largest mega-regions account for two thirds of the world's economic output and 85 per cent of its technological and scientific innovations, while housing just 18 per cent of its population. This is the case in London and New York, and it's happening here, too.

The same forces of globalization that have powered Toronto's rise are also behind the class divide that increasingly defines this city. Maps developed by my colleagues at the Martin Prosperity Institute show that Toronto's professional, knowledge and creative workers tend to live in the core and radiate out along transit lines. Lower-income and low-skill service workers get pushed farther afield. Traditional mixed-income neighbourhoods, once the norm, have become narrow buffer zones between a wealthy downtown and impoverished inner suburbs.

We're now witnessing here the kind of glaring inequality you see in cities like London and New York, Miami and Los Angeles. Immigration reflects and amplifies this division. We have witnessed not one, but two immigrations. On the one hand, there is the recent influx of the global super-rich from around the world who want to live (or at least park their money) in a vital city in a stable, well-managed country—a key force behind our rising real estate prices. On the other, there are the many more immigrants of modest means who have come to Toronto seeking better lives, some unable to use their skills as doctors, dentists or engineers. They often end up driving

cabs, cleaning hotel rooms, preparing food or toiling long hours in low-paying service jobs to make ends meet. The people of the two Torontos face very different outlooks for the future.

While it may be convenient to blame Rob Ford, we're actually losing our edge because of a broader leadership vacuum. Our civic and business leaders may spearhead worthy causes, raise money for important institutions, create great cultural events and care deeply about the city, but we lack the modern organizational capacity and leadership mechanisms required to put this city firmly back on its global trajectory.

To start, Toronto requires the rudimentary governance tools needed to chart its future course. It makes little sense that this nation's largest city can't govern itself and plan its future. The mayors of U.S. cities have considerably more power, which is one reason the Bloombergs and Emanuels are attracted to the job. The political theorist Benjamin Barber has charted the highly innovative, pragmatic solutions on everything from fighting crime and improving schools to economic growth and climate change developed by this new breed of mayoral talent, and argues that much of economic and social life would be better "if mayors ruled the world." Canada's mayors cannot even rule their own cities.

Over the years, the federal government and provinces have downloaded many costs and obligations to the cities, but little authority. As the philanthropist and Maytree Foundation chair Alan Broadbent has pointed out, Canada's cities essentially "rely on the kindness of strangers," notably the provincial and federal governments. This, he suggests, leaves cities with essentially no control over their destinies. Canada's cities need to become more like provinces—with real power and real revenue to solve their problems and build their economies.

Toronto has a wealth of city builders and city-building organizations. What it needs is more effective leadership vehicles that can braid their myriad efforts together as a real force for change. Richard Daley Jr., the Democratic mayor who spearheaded Chicago's global rise for more than two decades, told me recently that the key to much of the success he had was progressive business leadership. In Chicago, that type of leadership goes back more than a century. The 1909 Burnham Plan, which envisioned a revitalized city centre, was supported by the Commercial Club of Chicago, a group of businessmen who responded to the need to make improvements to their fast-growing city. Today, a group of private sector leaders called World Business Chicago, whose mission is to build a "global economic powerhouse," is focused on attracting new corporations to the city.

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Two prominent Toronto business leaders who were part of a contingent that met with their Chicago peers told me essentially the same story. Chicago benefits from its substantially deeper culture of civic involvement. Business leaders from the very top levels recognize that they must work beyond their own narrow interests to create a great city.

I'm not advocating a top-down, neo-liberal, business-run Toronto. Too many urban centres had the very life sucked out of them by a self-serving business elite hellbent on remaking once-

thriving neighborhoods as homogenized complexes for corporate headquarters. What we need instead is a new set of mechanisms that can garner the full commitment and active engagement of the very top leadership.

One illustrative example comes from Silicon Valley. Not too long ago, this area south of San Francisco had little long-term strategy or vision, just a welter of competitive entrepreneurs intent on developing the next big thing. After the recession in the early 1990s, the entrepreneurs came together to form an organization called Joint Venture: Silicon Valley. As its name implies, it was formed as an inclusive network of business, political, labour and civic leaders, and organizations from multiple cities and jurisdictions—a stark contrast to the top-down organizations and old boys' clubs found in older cities. It based its deliberation on data-driven analyses of the local economy, measuring variables that shape the region's prosperity. Armed with such facts, and backed by many of the major institutions and players in Silicon Valley, Joint Venture became a highly effective agent of change, identifying key issues the region faced, and bringing state and federal attention to problems and opportunities it identified. It focuses on issues like unaffordable housing, transit, growing inequality and a burgeoning class divide. Sound familiar?

Toronto needs to act in harmony as one region, not a city versus its suburbs. Joint economic development would enable municipalities to grow together. It makes no sense for separate towns to compete for businesses that are going to locate in a shared region. Daley organized the mayors of greater Chicago's municipalities and would actively help them land new business prospects rather than compete against them. By working together as a single region, we can stretch our boundaries, leveraging the broader capabilities that can enable greater Toronto to compete with much larger cities around the world.

Most of all, we must acknowledge—and work to bridge—the class divisions that vex our city. To become one Toronto, we need a new social compact that can provide higher wages for low-skill workers, and more opportunity for everyone wherever they live. The key step entails upgrading the more than 1.4 million service industry jobs in the metro area, which employ nearly half of the region's workforce. These are the workers who prepare our food, take care of our children and aging parents, staff our hotels and cultural establishments, and provide a vast array of services on which our economy depends. If we want greener, more energy-efficient buildings, it's important to empower the maintenance workers who have the detailed knowledge of how they work to implement simple energy-saving solutions.

It's not a pipe dream. It's exactly how we turned manufacturing jobs from low-paid work during the Great Depression into high-paid, family supporting jobs after World War II. A detailed study of retail companies and jobs by Zeynep Ton of MIT's Sloan School of Management concluded that companies that invest the most in intensive training and offer the best chances for advancement, as well as the highest possible pay, “also have the lowest prices in their industries, solid financial performance and better customer service than their competitors.” Imagine what could happen if this kind of approach were applied systematically across Toronto's service industry—the hospitals, restaurants, banks, hotels and shops. Upgrading service work by harnessing workers' knowledge and creativity increases productivity for companies, spurs higher wages for workers and improves customer service, competitiveness and prosperity for the city and region as a whole.

New immigrants, according to various studies on the subject, add to the economy by bringing new skills and ways of doing things that complement the skills of domestic workers. It's time to thoroughly revamp our professional licensing systems so immigrants can use their skills. We need to stop wasting talent in our midst.

Maybe the widening class divide and our slipping global stature will become so obvious that it will motivate those who care about the future of the city. Maybe that concern will coalesce into the critical mass needed to turn talk into action. Maybe it will force us to generate a compelling vision of a better, shared future for all Torontonians. If it does—if it serves as a wake-up call and engenders a vibrant new form of civic engagement—then the reign of Rob Ford may turn out to be one of the best things to happen to Toronto.