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SOCIAL SCIENCE: HERE COMES THE CREATIVE AGE

We can ride the crisis out - on a wave of our own inventiveness

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Like all advanced economies, ours is in the midst of a great transformation - to an economy in which creativity, skills and knowledge matter more than strength and muscle.

On Thursday, as part of the Martin Prosperity Institute at the University of Toronto, we delivered a report called "Ontario in the Creative Age." It was commissioned by Premier Dalton McGuinty's government, but the overview it offers applies to the rest of the country as well.

At bottom, today's challenge is the move from jobs oriented to routine to jobs that hinge on creativity. Routine-oriented workers carry out standardized tasks, often repetitively and in a preset sequence.

Traditionally, many of these jobs have been in manufacturing - Henry Ford's assembly line is the classic example. But the greater portion of them now are in service occupations: waitresses following standard procedures in restaurants, or clerical staff and their paperwork.

Creativity-oriented occupations, on the other hand, require workers to apply their knowledge to changing situations, make responsive decisions and communicate.

The proportion of people performing creativity-oriented work has increased threefold over the past century and continues to grow even in the current economic crisis, as their jobs are much less vulnerable to recession than routine jobs.

Over the coming decade, they will account for about half of all jobs created in Canada and the U.S. alike. Yet we still undervalue creative jobs and the key skills on which they depend - consider the controversy over funding cuts for research and innovation in the recent federal budget.

The manufacturing economy honed physical skills such as lifting and manual dexterity. But two sets of creative skills matter more now - analytical skills such as pattern recognition and problem solving, as well as social-intelligence skills such as the situational sensitivity and persuasiveness that are required for team building and mobilization.

Fields that demand high analytical skills (such as medicine and bioengineering) and social intelligence (such as psychiatry and management) are not only growing faster than others, they also pay much more.

Moving from a job in the bottom quarter of analytical-skill levels to one in the top quarter - from travel agent to, say, accountant - means an additional \$18,700 in pay; the gap between jobs that are low or high in social-intelligence skills is even greater, valued at \$25,100.

The reverse is true of physical skills: Moving between a job in the bottom quarter and one in the top quarter of physical demands would be accompanied by, on average, an \$8,100 drop in wages.

Businesses in Canada pay relatively more for levels of physical skill than they do in the U.S. - which has been a good thing for blue-collar workers and families. But now we're lagging in valuing creative skills. Canadian workers gain less income by increasing their use of analytical and social intelligence than do their American counterparts.

But it's not enough just to expand the availability of Creative Age work. It's critical that we increase the creative content - the analytical and social aspects - of all our jobs.

And that is a challenge that goes beyond government: Business needs to take on more sophisticated models that encourage their workers to use these kinds of skills, which generate the productivity needed to pay higher wages. The result is a virtuous circle of prosperity, in which workers use more of their capabilities, business gains and wages and living standards increase.

It is already happening in some places. While workers at some manufacturing operations remain stuck with mindless labour, others are engaged in quality circles and statistical training and have more individual authority on the line. Their companies benefit from improved productivity, while the workers benefit from more secure jobs and higher wages.

And it is happening in parts of the service economy as well, which is key - since routine-oriented service accounts for 46 per cent of all jobs in Canada - to building shared prosperity for everyone.

Four Seasons, for example, established itself as one of the world's leading luxury-hotel chains in no small part thanks to its ability to increase the creativity content of hotel-staff jobs.

By treating its employees with dignity and leveraging their talents, Four Seasons is able to offer the unparalleled service that has made it a global leader in its field.

If we want a high-wage economy, we also have to ensure that our training programs and schools develop social and analytical skills, and focus our efforts on attracting businesses that invest in the creativity of their workers.

To be successful, we must tap and harness our most important resource: the creative capabilities and talents of all Canadians. In our study, we found that Ontario and Canada have many assets on which to build that advantage.

There are big challenges too. But we're confident that, even in this moment of crisis, this country can and will seize the opportunity.

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