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Location, location

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The internet means we can now work anywhere, right? Wrong, says this urban trendspotter. Place still matters.

RICHARD FLORIDA is a one-man economic think tank and go-to guru for companies in need of a creative jolt. His 2003 book *The Rise of the Creative Class* thrust him onto the speaker's circuit a few years back, promoting the "3 Ts" for the economic growth of urban centres: technology, talent and tolerance. As cities sought to create rich, multi-textured life, architects and town planners couldn't get enough of Florida's punditry.

But wait, there's more. Florida is betting on his new book, *Who's Your City?* being another bestseller. This explains the urgent tone when AFR BOSS called him at home in Toronto, Canada. Like a priest delivering pearls from the good book, Florida wanted to be heard, not questioned. The latest book by the professor of business and creativity at the University of Toronto's Rotman School of Management is an emotional call to action for people to live in cities and towns that best suit their personalities. Place, he argues, is central to our happiness and fulfilment. Florida says that deciding where to live is "as important as choosing a spouse or career".

Florida drops one-liners from renowned economists, and makes skilful use of numbers, charts and maps to press his agenda. That's what social scientists do. And according to his theory, a successful city is one that understands what it does well and sells that facility to the world. For example, he cites San Francisco as the best place for young singles, and Washington, DC as the best place to raise a family.

Location, location, location is not just real-estate agent rhetoric; it is Florida's mantra too. He says: "Everywhere I go people ask me, 'Rich, you've done the research, tell me where I should live'." Florida's book offers just that sort of help. In it he offers advice for geographical misfits and gives pointers on choosing the best place to live. He hopes to start "a global discussion about the importance of place", which varies according to a person's age, gender, occupation and marital status, among other things.

It sounds simple enough: if a city appeals to you, move there. But Florida also takes aim at such naysayers as the prophet of disintegration, New York Times columnist Thomas Friedman, who in his book *The World is Flat* declared that global-stretching trade and world-shrinking technology make a person's location largely irrelevant. This sort of "nonsense" irks Florida. Indeed, in a recent *Fast Company* article he attacks Friedman head on: "It's a mantra of the age of globalisation that place doesn't matter. Technology has levelled the global playing field - the world is flat ... It's a compelling notion but it's wrong."

For Florida it raises the great location paradox: if we can work remotely via the internet, why should place matter? He articulates the zeitgeist of "place" as being beyond the forces of technology. "The internet is an infrastructure, like the airport system or the highway," he says. "The virtual world is overlaid with the physical world. I don't see the internet world obviating the productivity advantages in the physical world."

Place tugs at our emotional heartstrings and the clustering effect and growth of physical communities, he says, and it influences happiness: "Clustering of people in specific geographies has become the core dimension of competitive advantage of economic growth in the creative-driven economy."

Some locations have big economic advantages, others big lifestyle advantages. Says Florida: "Place is becoming specialised and developing comparative advantage not just in terms of business but also for occupations ... If you want to be a software programmer you'd better live in Silicon Valley; if you want to be a musician you'd better go to Nashville."

The book revolves around three ideas. First, the world is made up of mega economic regions or "spikes" structured around dense urban settlements and connected to other global gateways by major airports. Second, places are growing increasingly diverse, from their economic makeup to the different jobs on offer. Third, people are highly mobile and choose where to live.

People choose to cluster together because communities share costs and multiply productivity. "That is the key source of productivity growth in the knowledge economy," he says. "It is not that we like to live in cities ... it is simply when we concentrate that way, our economic productivity goes up. In those cities that bring together concentrations of skill and capability, talent will grow.

"Because globalisation increases the returns on innovation - by allowing fast roll-outs of innovative products and services to consumers worldwide - it increases the lure of innovation centres for our planet's best and brightest. All this only reinforces the spikiness of economic production across the globe." Florida paints cities as the most important dimension of the economy, and says the economic leverage of being in a cluster more than offsets the expense of living in metro areas. It also affects career opportunities and personal success.

But geography is also critical for companies. Florida says there are about 25 to 40 important economic "spikes" in the world and that if a chief executive doesn't know why his or her company is located where it is, then that company won't be successful. Where companies locate depends on such variables as access to markets and labour needs.

The creative age has brought about the end of many of the things taken for granted in the industrial age, says Florida, such as the traditional industrial corporation, vertical hierarchy, nine-to-five work, even the single family home. And as society becomes more reliant on the internet, he predicts humanity's need for physical socialisation will remain strong, if not grow - which will make the workplace of the future a place where employees "come together and

catch up, then go back to their own world".

When talented people think about relocating, Florida believes they don't just consider the job on offer. They weigh up whether the physical location of work and the surrounding community is one they want to be a part of. He cites the example of his work with the Noosa City Council, which is trying to build its regional economy around the notion of the "barefoot executive", a person who works across multiple locations. It is part of a trend he forecasts of the multi-location household, where occupants rent rather than own real estate.

Internet enthusiasts argue that cyberspace offers its own communities, but Florida says real world communities are better. Streets, cafes and sports venues have an "energy" the net doesn't, and it fuels creativity. "The internet has made place more important," he says. "The fact that I can run my office from wherever I am, I get to pick where I work ... As a baby boomer, I'm the last generation of people who moves based on work."

In the end, however, Florida's model seems generally uneasy with the idea that a person can stay put and still be happy. Jumping from one perfect lily to another seems a prerequisite for success. Surely the greatest comparative advantage would be for cities to have multi-dimensional cachet and depth - catering to a wide variety of needs and life stages. It depends on how much importance is placed on the spiky distinctions made between cities. The critical view is that Florida's visions of the best cities are exaggerated and romanticised. If every city were to shake up its cultural and economic gestalt along prescriptive guidelines it could result in a fight for winning identities, monoculture, and a "grass is greener on the other side" world view.

Florida's formula

Globalisation is not flattening the world, says Richard Florida. Au contraire, he says, the world is "spiky". Cities and regions that drive the world economy suck in talent, generate innovation and grow, while the valleys with little activity recede. The world divides into four types of places: Innovators - places that drive innovation and are connected by a highly mobile creative class (London, New York, Tokyo, LA); Producers, which tap the innovations to produce goods and services (Shanghai, Guadalajara); Global slums - third world urban centres with poverty and little meaningful economic activity; and Big Valleys, made up of rural and less populated areas.