

Richard Florida pushes the reset button



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It was great to sit down with supercharged author and thought leader Richard Florida last week, minus the glare of the municipal spotlight.

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Mr. Florida, if you hadn't noticed, has become the poster boy of Ottawa economic development in 2010. He's everywhere these days, and it's become increasingly difficult to hear a speech by Mayor Larry O'Brien or read an OCRI press release without hearing or seeing the man's name.

That's probably with good reason, though, considering all the great things he has to say about our city.

Mr. Florida's series of books – including *The Rise of the Creative Class*, *Who's Your City?* and his latest entitled *The Great Reset* – have, while also projecting him to what I'd call "Malcolm Gladwell Lite" status, also tended to focus on cities with very high levels of creative workers.

According to Mr. Florida, that includes Ottawa in a very, very big way. Check out the table at the bottom for some recent numbers he showed me, compiled by the Martin Prosperity Institute.

They illustrate how Ottawa ranks compared to Toronto, Montreal and Vancouver, and it's very, very good.



"Ottawa is a classic example of not only a federal capital, but also a post-industrial kind of economy which has government spending and lots of highly educated people," he told me during our interview. "And I think Ottawa was one of the 10 or 20 urban centres in all of North America that was well-positioned to withstand this reset."

Ah yes, the reset. At the risk of getting uncomfortably academic, the premise of Mr. Florida's latest book can be boiled down to this: since the advent of the Industrial Revolution and onslaught of hard-core capitalism, our economic system has innately felt the need to reset itself during times of crisis and recession/depression.

Resets involve an almost unconscious realignment of resources, people power and intellect – along with a shift in our "spatial fix," or our relationship to geography (think: suburban life versus living close to where you work and shop) – into new, revolutionary industries and modes of living.

Three periods, in particular, have spawned Great Resets, he argued: the so-called "Long Depression" of the latter half of the 19th century, the Great Depression of the 1930s and, well, now.

(I also asked him if there has ever been any pre-Industrial Revolution Great Resets, such as during the rise of mercantilism in the 17th and 18th centuries, to which he gave me somewhat of a sideways answer that I took to mean "no.")

In the case of the Long Depression, the reset involved a shift from an agrarian to industrial economy. The Great Depression and brutal hangover from the Second World War propelled us into a suburban, car-oriented and consumer-driven economy, based on the blue-collar employee that could support a family by working the line.

Now a third reset is happening, he argued, that will project our economy into its next phase.

In this sense, he said Ottawa compares favourably to Washington, D.C. and other "big college towns with a state capital" in the U.S., which typically have high proportions of knowledge workers and diversified economies.

That means that not only was Ottawa able to withstand the recession fairly well, but it's also well-positioned to host the new, knowledge-based and creative jobs the next economy will run on. "(All these places) have the conditions that make for a relatively stable economy," he said.

"And the sad thing about that is that those of us who live in Ottawa, or Washington D.C., or even Toronto, have not felt the same kind of recession that is going on in other places like Detroit," he said.

But hang on a second. There can only be one capital, after all, at least in theory.

Doesn't Ottawa or Washington, D.C.'s nature as federal capitals give these cities something of an unfair advantage?

"In the past, that was true," he conceded. "But what I see happening is federal capitals both moving into not only technology, but also a wider range of knowledge, creative and professional work. And so I think the Ottawa economy has become much more diversified than just a government town."

The latter part, I think we can all agree, is true – though some of us would love to see the local economy diversify even more.

Regardless, after chatting with him for 40 minutes, I have to admit I've now bought my ticket on the Richard Florida bandwagon, as well.

Let's just hope he's on the right track.

Creative and innovation rankings, by city

% of population in creative class:

Ottawa 40.9, Toronto 34.3, Vancouver 33.1, Montreal 32.8.

% in "super creative core" jobs:

Ottawa 25.3, Toronto 18.3, Montreal 18.3, Vancouver 17.9.

Source: Martin Prosperity Institute Analysis 2010