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Losing our edge

By Cecil Johnson

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A new "global competition for talent" poses the greatest threat to the United States since the Industrial Revolution, argues Richard Florida, the Hirst Professor at George Mason University's School of Public Policy.

In *The Flight of the Creative Class*, a follow-up to his provocative bestseller *The Rise of the Creative Class*, Florida asserts that, contrary to popular speculation, the main competitive threats to the United States are not posed by India and China.

"Our country -- for generations known around the world as the land of opportunity and innovation -- may well be on the verge of losing its creative competitive edge," he writes.

He maintains that countries in the coming decades won't accrue economic might based on natural resources, manufacturing capacity, military power or scientific and technological acumen: "Today, the terms of competition revolve around a central axis; a nation's ability to mobilize, attract, and retain human creative talent. Every key dimension of international economic leadership, from manufacturing excellence or scientific and technological advancement, will depend on this ability."

Florida sees this global competition for talent threatening the United States on three overlapping fronts.

"First, a wide range of countries around the world are increasing their ability to compete for global talent. Second, the United States is undermining its own ability to compete for that talent. And third, the U.S. is failing to cultivate and harness the full creative capabilities of its own people in ways that position it to compete effectively."

Thus, the global talent pool and the high-end, high-margin creative industries that were once the sole province of the U.S. market -- and a crucial source of this country's prosperity -- are beginning to disperse around the world.

"A host of countries -- Ireland, Finland, Canada, Sweden, Australia, and New Zealand among them -- are investing in higher education, producing creative people, and churning out cutting-edge products, from cellular

phones to computer software to blockbuster movies. Many of them have learned from the United States' success and are shoring up their efforts to attract foreign talent -- including Americans."

And the effect could be gigantic if a few of those rising nations each siphon off only 2 percent of America's creative work force.

"The United States may well have been the Goliath of the twentieth century global economy," Florida says, "but it will take just a half-dozen twenty-first century Davids to wear it down."

While this country has depended for generations on heavy infusions of foreign talent to generate the innovation that powered its economy, some of America's best and brightest are now being wooed away. "Reverse brain drain," Florida calls it.

He cites stem-cell researcher Roger Pedersen, who left the University of California, San Francisco to take up residency at the Centre of Stem Cell Biology Medicine at Cambridge University in the United Kingdom.

"Pedersen bolted because of aggressive recruitment on the part of the British government, and also because of the heavy restrictions placed on stem-cell research by our own government," Florida writes.

The author notes that on the day that President Bush won re-election in November 2004, the number of Americans visiting Canada's main immigration site jumped from its average of 20,000 to 115,000.

Florida points out that this country has benefited enormously from the thousands of creative people who have come to study at America's universities and then found jobs here. These people are now going to other countries to study and are taking their expertise back home. Moreover, many immigrants are returning to their native countries and contributing to their homeland's ability to compete with the United States.

That is due in some measure, the author says, to the more stringent immigration policies put in place following the Sept. 11, 2001, terrorist attacks. While that's understandable, the United States may be weakening itself economically, Florida suggests.

"Now that terrorism and national security dominate the discussion, we are in effect telling them not to come, or to get out once they have their degrees. And this is where the other pincer of the claw is really beginning

to clamp down. 'If you don't want them,' the rest of the world is saying, 'by all means send them our way.' "

Despite the emphasis on national policy, Florida essentially views the competition for creative talent as a regional phenomenon and focuses on what some urban areas around the world are doing to attract the kinds of people they need to be competitive. He divides those urban centers into the "global talent magnets" and the "global Austins."

In the first group, he finds London, Amsterdam, Toronto, Vancouver, Sidney, Melbourne -- cities that already have high percentages of immigrants and are competing with New York, Los Angeles and other American megalopolises.

"The global Austins, regions like Bangalore, Tel Aviv, Singapore, Taipei, and even Beijing and Shanghai, are recruiting foreign technology companies, bolstering their higher-education system, investing aggressively in research and development, and expanding their cultural and lifestyle amenities.

"These places are attracting their own back from Silicon Valley and other leading U.S. centers, and dramatically increasing their ability to retain homegrown talent and to become magnets for regional talent."

In *The Flight of the Creative Class*, Florida makes the case that to weather the challenges of the "Creative Age" America must focus on developing the creative potential of all its citizens and simultaneously follow the lead of the global Austins to attract foreign talent.

Cecil Johnson is a Fort Worth-based free-lance writer.