

THE MELTDOWN

What Martin-Florida blueprint gets right and wrong

When this financial crisis is over, North America will still be in desperate need of a revolution in education. A new report provides a call to arms and an ambitious road map

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Amid the current economic wreckage worldwide, it was easy to miss a startling blueprint for Ontario's sustained prosperity released this week. That's right, not a proposal to kick-start our moribund economy, but a call to arms for lasting prosperity through the 21st century. A document notable for linking economic grief with the balm of education prowess, and for the audacity of its goals.

The massive stimulus packages proposed by Ottawa and Washington – and, for that matter, almost every major industrial nation these days – are quick-fix solutions to mounting unemployment, sagging consumer and business confidence and a paralyzed global finance system.

Nothing wrong with that. Indeed those urgent steps now underway with uncommon urgency put a somewhat misplaced visionary cast on the recommendations in a report titled "Ontario in the Creative Age," prepared by a team of 24 researchers and co-authored by Richard Florida, the urban economics guru who heads the Martin Prosperity Institute, and Roger Martin, dean of the Rotman School of Management at the University of Toronto, and commissioned early last year by Ontario Premier Dalton McGuinty.

At first glance, actions like bailing out the Canadian operations of the Detroit Three automakers, to the tune of \$4 billion, as proposed by Ottawa and Queen's Park, seem an expeditious means of rescuing the economy. So does U.S. President Barack Obama's call for a 90-day moratorium on foreclosures.

Yet on close inspection the Florida-Martin blueprint for bold, comprehensive educational renewal is only as visionary as Egerton Ryerson's pioneering work in advancing mandatory public education in the 19th century – the prerequisite to the industrial age. It was radical but do-able then, and even more so today. What's missing is political will.

It's just as well that Florida and Martin's work was well underway before the economic roof fell in last September. It enabled them to keep their eye on the far horizon, as Bill Davis, then-Ontario education minister and father of our current education infrastructure, did during the recessionary early 1960s when he was laying the foundation for Ontario's network of community colleges, several new universities and the Ontario Institute for Studies in Education.

It is long-term prosperity that preoccupies Roger and Martin, as it should. Long before the current economic crisis, more than 200,000 Ontarians in traditional manufacturing industries had lost their jobs. And more than 2 million Americans in the industrial heartland of the U.S. Midwest had seen their jobs "outsourced" to Asia, Mexico and the low-wage U.S. South. Lack of vocational mobility – the narrow skill-set of a third-generation steelworker in Hamilton or pulp-and-paper machine operator in Fort Frances – has too often kept talented Ontarians from moving on to more promising fields. And that challenge will remain long after the world economy emerges from the ICU.

This economy will recover. The job and income loss will become even more severe in the months to come before the global economy sputters back to life by 2011, or perhaps sooner, if we're to believe an upbeat forecast by Mark Carney, governor of the Bank of Canada. But when that day arrives, underpaid teachers in underfunded schools will still be digging into their own pockets for school supplies. Ontario will continue to struggle with too few schools, notably in Toronto. Immigrant doctors, accountants, lawyers, architects and the like will still be refused accreditation by the monopoly guilds that suppress supply to keep the fees of their members high. Four out of 10 Ontario workers will remain stuck in low-paying service jobs. Just 23 per cent of Canadians will have completed university or college, lagging Iceland, Norway and the U.S., among others – a sobering thought, given that roughly 70 per cent of future jobs in a world moving away from basic manufacturing will require post-graduate degrees.

There is, it must be conceded, a whiff of elitism in the Florida-Martin report's central thesis: "Our time is seeing the rise of a whole new economic system that is based more on brain than brawn, more on ideas than capital, more on human creativity than natural resources and brute strength."

Even Obama, the world's most conspicuous BlackBerry addict, told an interviewer last year that there are limits in the degree to which an experienced factory hand, understandably proud of his or her craftsmanship, can be expected to happily retrain for Florida's brave new world of software engineering, tax preparation, gerontology and other elements of the growing service sector.

And there's something to be said for brawny industrial prowess. It's how we defeated fascism, as more than one email correspondent of mine has reminded me. Dwight Duncan, the Ontario treasurer, reacted to Martin and Florida's condemnation of using government funds to bail out fading Old Economy industries – including the Chrysler Corp. and Ford Motor Co. plants in Duncan's Windsor-Tecumseh riding – by asserting that "Some of the highest-tech research goes on there."

Yet the fact remains that the Detroit Three finally have hit the wall, having for decades ignored some of the most innovative ideas yielded by their billions of dollars in R&D expenditures, because they did not conform to the obsolete traditions of a century old industry to which senior Detroit management still clings. Much of the intellectual firepower in that industry is to be found on the shop floor, where creative suggestions for greater efficiency have been adopted by management only in recent times. The tragic proof of the consequences of stifling rather than nurturing intellectual creativity is to be found in Duncan's own devastated riding.

Obama, as it happens, is no less committed to education reform than Florida and Martin. "We have a mutual responsibility to make sure our schools are properly funded, our teachers are properly paid, and our students have access to an affordable college education," then-candidate Obama said at a 2005 NAACP fundraiser ostensibly about the civil-rights movement. "And if we don't do something about all that, then nothing else matters."

Obama's own agenda is to use the education funding in his proposed \$800-billion (U.S.) stimulus package now before the U.S. Senate to reward excellent teachers with higher pay, pay others still more by recruiting them as mentors to struggling teachers, return to uniform testing methods emphasizing literacy and numeracy skills (the U.S. now trails about 20 nations in each), and make tuition more affordable with \$4,000-per-year grants to college and university students in return for a minimum amount of community service.

The real abyss we're staring into isn't the cupidity of global bankers and cowboy financiers, culminating in the partial or complete nationalization of some of the world's largest financial institutions. The real abyss is that North American GDP growth, and thus the increase in our standard of living, stalled out some 30 years ago, not coincidentally in tandem with a sharp decline in education standards – everything from crumbling schools to a failure to weed out inept teachers to straying from the basics of reading, writing and arithmetic in favour of "self-actualization" and other 1960s concepts whose vestiges remain. All the while, skyrocketing tuition discouraged students from enrolling in humanities, social work and other fields where the pay on graduation makes barely a dent on accumulated student loans.

The 19th-century advocates of public education in North America called it the "golden key," the means of unlocking a prosperous future. They were right, of course – people with formal education are healthier, on average, earn more income, and through their ambition and creativity generate wealth for others. It's an axiom the developing world, and Asia in particular, took to heart in the second half of the 20th century while North American education standards went into steep decline. Which, in crudely competitive terms, explains why North America this century is poised to lose its leadership across a spectrum of endeavours, diplomatic to entrepreneurial to medical breakthroughs.

Increasingly, education will be seen as an economic issue, as it was in the minds of those who first pushed for universal teaching. Not surprisingly, it's *New York Times* economics

columnist David Leonhardt who, sussing through Obama's economic priorities, made the same connection Florida and Martin do.

"There really is no mystery about why education would be the lifeblood of economic growth," Leonhardt wrote in a *Times* treatise that identified education reform as the only substantial means of reviving American economic growth over the next decades. "On the most basic level, education helps people figure out how to make objects and accomplish tasks more efficiently. It allows companies to make complex products that the rest of the world wants to buy and thus creates high-wage jobs. Education may not be as tangible as green jobs. But it helps a society leverage every other investment it makes, be it in medicine, transportation or alternative energy. Education – educating people and educating them better – appears to be the best single bet that a society can make."

A recruiter for a large Toronto firm acknowledged the slowdown in hiring at her own company of late. Still, she said, "We continue to have a shortage of people who can solve problems. Really smart problem-solvers, we have openings for them. But a resumé like that crosses my desk maybe once every three months."

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