



National

The league of extraordinary mayors: small states, big ideas

RICHARD FLORIDA

From Saturday's Globe and Mail

May 30, 2008 at 11:22 PM EDT

This week, the mayor of Canada's biggest city did something remarkable: He basically declared war on firearms. In response to several highly publicized shootings, David Miller announced that he wants Toronto's City Council to crack down on gun clubs, firing ranges and businesses that manufacture, assemble and distribute weapons.

“Do we as a society value safety, or do we value a hobby that creates danger?” he asked. “That hobby directly results in people being shot and killed on the streets of our city.”

Not surprisingly, Mr. Miller's bold move has generated a great deal of controversy. At the same time, it reflects a growing trend in the world's major cities.

Just as he is taking the lead in trying to control guns, figures such as Michael Bloomberg in New York City, Richard Daley in Chicago, Job Cohen in Amsterdam and Ken Livingstone, the former mayor of London, have explored new approaches to everything from education, crime and smoking bans to environment and climate change – even bringing modern management techniques to government. While there remains more work to do, their efforts and those of their peers have made their jurisdictions safer, smarter, greener, more aesthetic, more efficient, wealthier and more globally competitive.

Overall, these mayors, as well as premiers and governors, are proving themselves to be much more in tune with global trends than are heads of state and national leaders.

In today's world, cities, regions and mega-regions composed of two or more cities and their suburbs have become key competitive players alongside global companies and nation states. Canada and the U.S., for example, are not competing against China and India. Rather, specific regions in North America are competing with dynamic regions such as Bangalore and Shanghai.

Two new books – *The Post-American World* by Fareed Zakaria and *The Second World* by Parag Khanna – argue that the new global economy power will be more dispersed and multipolar.

Mr. Zakaria believes we are experiencing modern history's third great power shift, after the rise of the West from the 15th century on, and the rise of the U.S. in the 19th century. But he argues that this latest transition is not so much about the decline of America as it is about “the rise of the rest,” and by that he means much more than simply China or India. The end result will be a “landscape that is quite different from the one we have lived in until now – one defined and directed from many places and by many peoples.” Mr. Khanna similarly predicts that we are headed toward a “global, multi-civilizational, multipolar” world with three superpowers: the U.S., China and the European Union.

Each of the Big Three powers will assert its influence differently, but the intense demand for energy and resources means that the underlying goal will be the same. And the main battlefield for this geopolitical competition, Mr. Khanna argues, is the “second world” – about 40 strategically important “transition” states whose relationships with the superpowers have the capacity to tip the balance.

Like both of them, I agree that it's a big mistake to view power in this new world as a competition confined only to large nations. In fact, small states will increasingly find themselves with more influence and more room to manoeuvre. Their competitive position will be strengthened and they will have the opportunity to act as important stabilizers in the global system.

They are already doing very well, economically speaking.

According to my Global Creativity Index, Sweden (first), Finland (third), Switzerland (fifth), Denmark (sixth), Iceland (seventh), Canada (11th) and Australia (12th) are right up there with the U.S. (fourth) and Japan (second). Interestingly, Russia, China and India sit well down the list: 25th, 36th and 41st, respectively.

Canada and Australia are seen as models for open immigration and talent attraction, Ireland as a prototype for economic revitalization. Denmark and Sweden show how markets and welfare states can work together and why high taxes do not necessarily mean low competitiveness.

In my view, these small states, among several others, are the best places to look for innovative, alternative models of economic prosperity and social cohesion.

A big reason for the improved competitive stature of smaller nations stems from the shifting nature of global competition. Today, competitiveness no longer turns on market size, raw material, control over natural resources or even business costs, but rather on which places can best attract and retain innovative and entrepreneurial talent.

Ultimately, it is less in nations and more around these regional locations that talent wants to be and where it clusters. Global talent is not migrating to England but to London; entrepreneurs and technical talent are not going to China and India, but to Beijing, Shanghai and Bangalore.

In this regard, even the most thoughtful commentators remain overly enthralled with the power of the nation state and miss the rising importance of the city region.

In fact, the best way to understand the past century of U.S. global hegemony is through this lens. It's not the size of America's market or its natural resources or its military supremacy that defined its ascendance and dominance. Rather, it is America's role as an attractor of (and haven for) the world's top talent.

That history includes many great entrepreneurs, from Andrew Carnegie (born in Scotland) in steel to Andy Grove (Hungary) in semi-conductors, as well as the influx of scientists (Albert Einstein, Enrico Fermi) and artists (Marc Chagall, Igor Stravinsky, Ludwig Mies van der Rohe) who fled Europe in the 1930s and 1940s. In Silicon Valley, a third to a half of all start-ups have someone born overseas on their founding team.

Yet our system for making global policy shows little sign of adjusting to this shift, because it remains overwhelmingly organized around heads of states, foreign affairs ministers and central bankers. Mr. Zakaria worries that even as U.S. companies pioneer globalization, and while America remains “the most open, flexible society in the world,” its government is impeding the country's ability to adapt. Regions such as New York, San Francisco, Los Angeles and Chicago are well positioned to compete for global talent, but restrictive U.S. government policies on immigration and homeland security make it harder for them to do so.

U.S. presidential candidate John McCain says a new “League of Democracies” – composed of about 40 advanced democratic nations – is needed to inform global policy-making and bring stability to the world system. While national leaders have shown themselves to be increasingly ineffective and out of touch, it is mayors, premiers and governors who have consistently demonstrated their ability to navigate today's wrenching economic and social shifts.

For my money, a League of Cities and Regions – made up of the world's largest cities, regions, states and provinces – is more in tune with what the emerging “post-American” world really needs.

Richard Florida is the author of Who's Your City? and director of the Martin Prosperity Institute at the University of Toronto.