

Toronto part of ‘transnational mega-region’

Richard Florida, Globe and Mail
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TORONTO – Torontonians are a funny bunch. In the short time since my wife and I moved here, I’ve discovered a truly great city. I’ve got to know a growing number of unbelievable neighbourhoods — Little Italy, Greektown, the Beach and more. I’ve walked through the majestic ravines, eaten a fantastic egg-and-peameal-bacon sandwich at the St. Lawrence Market, tried some glorious micro-brewed beers, and even seen a hip-shaking performance by Shakira at the film festival. Our

welcome at all levels has been memorable. When we told the two young Middle Eastern men who were installing an audio system in our home that we were looking for some spicy Asian food, they returned on a subsequent visit bearing a delicious — and free — takeout meal from their favourite Burmese-Indian restaurant.

We’re now calling home a lovely family-friendly neighbourhood that is in easy walking distance of the city’s core. The streets are safe, schools are good, immigrants are welcome and neighbourhoods allow for a mix of people by income, work, ethnicity, sexual orientation and lifestyle. The cultural life is buzzing, the restaurants are world-class, and there are beautiful lakes to escape to just a short drive away. On top of everything else, I’ve been given the opportunity to run a pioneering think tank at a renowned business school.

And yet everywhere we go we are met by Torontonians who either seem mystified that we would move to what they imply is a second-rate city, or seem to be seeking some kind of validation in our answer.

Here’s all the validation you need, Toronto: Our city is on the leading edge of a critical change in the global economy.

It has a chance not only to redefine itself but to forge an inclusive and sustainable model of that ongoing change that harnesses the full creative potential of every person.

In fact, there is so much going on here that the city and its people are unaware of the scope and power of Toronto.

What has happened is that the mega-city has become the nerve centre of one of the world's greatest mega- regions, a **trans-border** economic powerhouse that stretches from Buffalo to Quebec City. It's important to recognize this, because mega-regions have replaced the nation state as the economic drivers of the global economy.

A glimpse of this new reality came earlier this month when The Globe and Mail revealed that Canadian Football League owners were negotiating to bring an National Football League team to Toronto, and that the most likely and logical choice of available teams was the Buffalo Bills. The Bills are now seeking permission to play two games at the Rogers Centre next season. The move makes sense because the market for American-style football in Toronto is huge, but even more so when you think of the Buffalo-Toronto corridor in a way that was fashionable before 9/11 but has gone mostly unmentioned since: **as a single economic entity — a mega-region, in other words.**

I know both cities pretty well. I lived in Buffalo in the early 1980s, teaching at the University of Buffalo as a visiting professor en route to getting my PhD at Columbia University. I endured some large snowstorms, lived in the terrific Elmwood neighbourhood and ate my share of chicken wings and beef on weck. At that time, Buffalo and Toronto shared few links, and people told me how, back in the 1950s and 60s, Buffalo, with its manufacturing muscle, was the stronger city.

These days, Toronto and the Greater Toronto Area are the economic success story. But, border or no border and heightened post-9/11 security notwithstanding, the two cities are effectively part of the same mega-region — let's call it Tor-Buff-Chester — with 22 million people and \$530-billion in economic activity, making it the 12th-largest mega-region in the world and fifth-largest in North America.

You might ask where such a clunky name like Tor-Buff-Chester could come from. I'm to blame. In the summer of 2002 while speaking at a conference on economic development in Buffalo, I was asked to offer recommendations on the city's economic revitalization. My answer: Partner more closely with Toronto and Rochester to form the new region of "Tor-Buff-Chester"!

It was only later that I realized how on-target that initial suggestion had been. Because, since that time, working with Tim Gulden of the University of Maryland and my research team at the Martin Prosperity Institute at the Rotman School of Management, we have used satellite pictures of the world at night to estimate the economic activity of the mega-regions of the world.

Ours are the first such estimates ever: Much to my surprise, international statistical agencies — such as the United Nations and the World Bank — collect mainly national data. No one collects systematic data on cities and regions around the world. And none of them looks at regions that defy conventional borders.

According to our definition, mega-regions are made up of two or more contiguous cities and their surrounding suburbs, and generate more than \$100-billion in annual economic

output. Looked at this way, the mega-region centred in Toronto and Buffalo stretches to Guelph, Waterloo and London to the west, Ottawa, Montreal and Quebec City in the east, and includes Ithaca, Syracuse, Rochester and Utica in the United States. If I knew then what I know now, I might have given it the more accurate, if even clunkier, moniker “Tor-Buff-Loo-Mon-Tawa.”

In North America, only the mega-regions of Bos-Wash (Boston-New York-Washington), Chi-Pitts (running from Chicago through Pittsburgh), LA-San Diego-Tijuana, and Char-lanta (Charlotte through Atlanta) are larger. In the rest of the world, Tor-Buff-Chester is outflanked only by Greater London, Greater Tokyo, Osaka-Nagoya, Amsterdam-Antwerp-Brussels, Rome-Milan-Turin, Frankfurt-Stuttgart and Barcelona-Lyons.

Tor-Buff-Chester is bigger than the San Francisco-Silicon Valley mega-region, Greater Paris, Hong Kong and Shanghai, and more than twice the size of Cascadia, which stretches from Vancouver to Seattle and Portland. Its economic might is equivalent to more than half of all of Canada's. If it were its own country, it would number among the 16 biggest in the world, with economic output bigger than that of Sweden, the Netherlands, or Australia.

Clunky sounding or not, mega-regions are the real economic engines of the global economy. The 10 largest account for 43 per cent of the planet's economic activity and more than half of its patented innovations and star scientists who generate pioneering breakthroughs, while housing only 6.5 per cent of its population. The top 40 produce 66 per cent of the world's economic activity and more than eight in 10 of its patented innovations and most-cited scientists, while being home to just 18 per cent of the world's population.

All of this convinces me that place, not statehood, is the central axis of our time and of our global economy. What it means for Toronto is simple: A mega-region needs to think and act like a mega-region, not like a bunch of separate cities with empty space between them. **For instance, Tor-Buff-Chester needs regional investments in transportation — a real high-speed rail line between all the cities, for instance, and one that crosses borders.** Mega-regions benefit from global hub airports like Toronto's Pearson, New York's JFK, Chicago's O'Hare or London's Heathrow. Direct flights from Pearson to Asia are a major plus for the entire mega-region. But the best way to get around one is not by plane or car but by fast rail. Europe has this one figured out.

Fixing the border problem will be key. As an American and frequent traveller to the States, I know that much of the problem is generated by Homeland Security paranoia of American authorities. But the mega-region needs to pro-actively figure this out. There's lots of coverage of long lines of Torontonians trying to get to Buffalo to take advantage of the strong loonie. But huge amounts of trade go through those borders, and the ability of business travellers to get quickly from one destination to the next is critical to economic success of mega-regions. Tor-Buff-Chester needs fast, safe and efficient

border crossings. It needs to be a priority to show the rest of North America how it can be done.

In spite of the border hassles, a transnational mega-region has real advantages. Regions on the U.S.-Mexican border take advantage of low-cost Mexican manufacturing while stationing high-end design and management on the U.S. side. There are pioneering co-operative efforts along that border: Our group initiated the world's first bi-national downtown, Wi-Fi, and arts and cultural centre between El Paso and Juarez.

And as the U.S. restricts immigration and sees a decline in foreign graduate students, the Canadian part of Tor-Buff-Chester could grab them. Microsoft recently opened a lab in Vancouver to attract foreign-born talent for that very reason.

At Pearson last week, when a flight we were taking to Washington, D.C., was cancelled, an airline clerk came to our rescue, personally walking us to a competing airline's counter and making all our new arrangements. Like everyone else, he asked us, "Why Toronto?" — apparently oblivious to the extraordinary kindness he was showing us.

No, we moved to Toronto for excellent reasons. This place is really, really big and getting bigger. It just needs to recognize it in itself.