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Partnerships key to Toronto's prosperity

Real source of economic productivity is all of us, professor says

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By David Hatton - Business Edge
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Toronto has the potential to be a much more prosperous city if business leaders can partner with all levels of government to encourage diversity and creativity, an internationally known expert told local Board of Trade members.

Richard Florida, a professor of business economics at the University of Toronto's Rotman School of Business and director of its newly formed \$120-million Prosperity Institute, told the board's 120th annual dinner he was not there to offer them a detailed plan.

"I'm here to show you my research and get you started thinking and discussing ideas.

"I've examined cities around the world and I really believe Toronto has the chance to be a world-class city if some organization can step up and take a leadership role when it comes to achieving greater prosperity," he said.



Richard Florida

"I'm encouraged to see Mayor David Miller and other politicians here tonight because it needs to be a partnership between government and the business community. But let me say there will be many rewards for everyone living in this city if you can get it right."

One example of the economic potential is the area's "mega-region" that includes Toronto, Kitchener-Waterloo, Montreal, Buffalo and Rochester. His research showed the cities generate an annual economic output of \$550 billion. "I used to call it Tor-Buff-chester," he joked.

"The world is going through a period of economic transformation right now from an older industrial economy to a new creative economy.

"We used to be totally dependent 100 years ago on agriculture and about five per cent on the creative sector. By the 1950s that changed to about 10 per cent creative and now more than 40 per cent of the economy is driven by the creative sector," he said.

Florida explained the creative sector - which includes artists, chefs and university professors - crosses all ethnic boundaries and all age groups.

"When you encourage these professions to grow, you begin to develop a much richer city," he said. "The real source of economic productivity is each and every one of us."

Florida said his research has determined that who someone chooses as a spouse says a lot about them. But just as importantly, where they choose to live is also a key life decision.

"We have been so captivated by technology that one important myth has emerged: With this wired world we live in, you can live just about anywhere. It doesn't matter where you live. That's not true," he said. "Where you live is very important."

"About 50 per cent of the world's population lives in cities. A strong urban environment is critical to how happy and fulfilled your life is."

Florida added some of his critics have tried to argue that as long as basic municipal services such as utilities and transit exist, that's all people care about. He believes a city's openness to diversity, like how it treats gays and visible minorities, is also important.

Toronto hosts one of the largest homosexually themed festivals in the world every summer. The city's Pride Festival draws more than one million tourists during the last week in June.

Meanwhile Caribana, a festival of Caribbean culture, is marked with a parade along the Toronto waterfront with more than 1.2 million participants every August.

Another key part of successful cities is the natural environment, Florida said. "You have these magnificent natural gifts in a lot of cities called ravines. The best cities have not just ravines but walking trails and parks for people to enjoy outdoors. These are vital," he said.

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"Toronto is no longer a city that adapts to market trends - we need to lead those trends and work for a stronger city."

Following his speech, Florida told the local news media he's worried about another trend, however. The economic divide between rich and poor or different social groups is disturbing, he said.

"I hope they all realize tonight that we are all in this together and each and every person needs to be involved. The energy and commitment of many, many people is incredible ... and this needs to be business-led. Business has to step up as a partner," he said.

When a reporter tried to push him for specifics on what exactly business should do, he paused. "It can be all those things. There can be flexible scheduling or more corporate funding for the arts community. These solutions need to come from the people directly involved."

He added another key sector of the economy that wasn't discussed with Board of Trade members was the service industry. Hotel and restaurant jobs need to be seen as more important with higher wages and more prominence, Florida said.

Toronto Board of Trade president and CEO Carol Wilding said she was impressed by Florida's speech and planned to "seriously look" at what could be done.

"I think right now we're buzzing with ideas. We need to sit down with our members and seriously look at ways we can take a leadership role with this.

"One example I can think of right now is infrastructure development. That's badly needed in a lot of cities like Toronto and I've already spoken to several fairly prominent business leaders who are willing to partner with our local government to help get this moving," she told Business Edge.

But Wilding, a former accountant at PriceWaterhouseCoopers, hesitated when asked about the pricetag.

"I don't know. There's been a lot of ideas discussed tonight. Right now we need to look at what is possible. This is the first step. We'll just have to see, won't we?" Toronto Mayor Miller said he was optimistic after hearing Florida's speech to the Board of Trade.

"We're tremendously lucky to have someone like Richard Florida here in Toronto," he said.

"I can see all kinds of applications for his ideas that Toronto should be leading in, like how we treat foreign-trained professionals. These are an amazing untapped strength in our community. I've often believed diversity is one of our biggest strengths as a city."

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