

Review: The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity, by Richard Florida

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American-born urban economist Jane Jacobs died in 2006. She was the thought leader and inspiration to a generation of Torontonians who celebrated diversity, density, vitality and livable neighbourhoods, who loved public transit and hated expressways and cars. American-born Richard Florida, director of the Martin Prosperity Institute at the University of Toronto's Rotman School, is Jacobs's heir apparent in the analysis of the fall, rise and physical and economic reconfiguration of North American cities. In Florida's case, cities are not just great places to live, but also the keys to the revival of the American economy.

Jacobs came to us from Pennsylvania via New York in middle age and settled in Toronto's Annex neighbourhood for the rest of her life, living modestly off her brilliant and prolific writings. Florida comes to us from New Jersey via Pittsburgh, where he taught economic development at Carnegie Mellon University. His 2002 book *The Rise of the Creative Class* catapulted him to a fame that would inspire the Rotman Centre's Roger Martin to bring him to Toronto to continue his work as economist, urbanist, historian, sociologist and guru. Richard Florida loves cities, especially those that are physically beautiful, that make it easy for people to "meet others, make friends and plug into social networks," and provide a "level of diversity, open-mindedness, and acceptance." His research says such places make people happier.

Florida's new book brings his perspective on cities to the current economic crisis, the Great Recession. He tells us that this is the third great economic crisis, the first being the Long Depression of the 1870s and the second the Great Depression in the 1930s, which some still remember first-hand. Each led to what economist Joseph Schumpeter termed "creative destruction": dramatic transformations of the economy, huge technological innovations and, in Florida's term, fundamental "resets" that resulted in massive changes in land-use patterns and in the values and lifestyles of ordinary people.

Most view the 1930s as a time of deprivation. That may be so, Florida says, but that image disguises a time of rapid technological innovation and improved productivity that was subsequently unleashed during the Second World War and the postwar boom of the late 1940s, 50s and 60s. The affluent period led Americans into some patterns - car culture and the dream of universal home ownership - that Florida exhorts them to abandon in the "reset" he believes is now at hand.

The Great Reset chronicles the recent financial collapse and the reasons for it, and argues it is time for the urban creative classes to lead us out of the false financial economy based

on Ponzi schemes to a real economy based on innovation and wealth creation. We need more computer engineers, not more financial engineers, he declares. Americans, aided and abetted by brilliant but amoral financial wizards, sustained their unbridled materialism through mortgage debt, based on the assumption house prices and incomes would continue rising forever. The bubble has burst and now nearly a third of middle-aged Americans own houses worth less than their mortgage debt.

What is to be done? Florida offers plenty of solutions: Rather than prop up homeowners in default, he would have them rent. Indeed, he believes Americans should give up the dream of home ownership. Over the long term, it is not a good investment and it impedes mobility to where the jobs are. Moreover, the postwar suburban explosion led to huge and increasingly depressing commutes from home to work and back, and to energy consumption that is increasingly expensive and helping to destroy the planet. Rent a *pied-à-terre* downtown and be happy, or own an exurban bungalow and be lonely, not to mention exhausted from your 15-hour-a-week commute.

Further, he says, don't prop up losers (car companies); that's investing in the old economy. Invest in the new economy with infrastructure, primarily rapid mass transit between and within cities, and in so doing increasing good things, like the speed of mobility and urban density. Things you need and want (your job, your friends, culture and entertainment) will all be closer and you will be happier for it.

And stop subsidizing home ownership; follow those prudent Canadians and don't allow mortgage-interest payments to be tax-deductible. At the city level, Florida sees government as the partner of non-governmental organizations and citizen-led initiatives, not the sole actor. No more new roads or freeways in cities; build them and they will lead to more congestion and more unhappiness. Transit and telecommuting are the only rational ways forward to sustainable cities and productive economies.

He also urges the culture to move on from the conspicuous consumption that emanates from too much emphasis on suburban home ownership and cars to the postmaterialism of seeking experience, learning and spiritual growth. Sounds utopian, but the research he sees says such a cultural revolution may be in the making. (My own research also points in this direction in Canada, but for different reasons, such as the aging of baby boomers. We also see strong countercurrents as immigrants and their offspring tend to embrace - not transcend - the materialism of their new society. As with those of us who were born in Canada, it takes a couple of generations to get bored with the material and focus on the post-material.)

Although Florida is happy to talk about Canada and Toronto in Canadian newspapers and magazines, in this book his new city gets only a few pages. Like many Canadian novelists born abroad, such as Rohinton Mistry, M.G. Vassanji and Anar Ali, Florida's imagination is drawn to his homeland. But as a narcissistic Torontonionian, I would have loved more from him on the way forward for Canada's largest city (fourth largest in North America).

Indeed, I closed Florida's immensely stimulating book with a sigh as I reflected on what seems to be a poverty of ideas in the political marketplace in this country at all levels. Are we destined to muddle through in self-satisfied complacency, assuming that our beloved banks and natural resources will see us through? Will we ever again debate, implement and ultimately celebrate big ideas that matter?

Michael Adams, president of Environics, walks to and from work when not on his Vespa and is author of a soon-to-be-released book on baby boomers, Stayin' Alive.