

Realizing prosperity through creativity^a

We live in a time of great promise. We have evolved economic and social systems that are tapping human creativity as never before. This in turn creates an unparalleled opportunity to raise our living standards, build a more humane and sustainable economy, and make our lives more complete.

Human creativity is the ultimate economic resource. The ability to generate new ideas and better ways of doing things is ultimately what drives innovation to raise our productivity and our living standards. The great transition from the agricultural to the industrial age was based upon natural resources and physical labour power, and ultimately gave rise to giant factory-based economies. The transformation now in progress is potentially bigger and more powerful. The shift we are seeing now is based fundamentally on human intelligence, knowledge, and collaborative skills.

The transformation involves moving from routine-oriented jobs to creativity-oriented jobs – the two basic types of occupations in our economy. Routine-oriented jobs require workers to carry out tasks in a prescribed order or to do the same tasks repetitively according to a pre-ordained set of operating procedures.

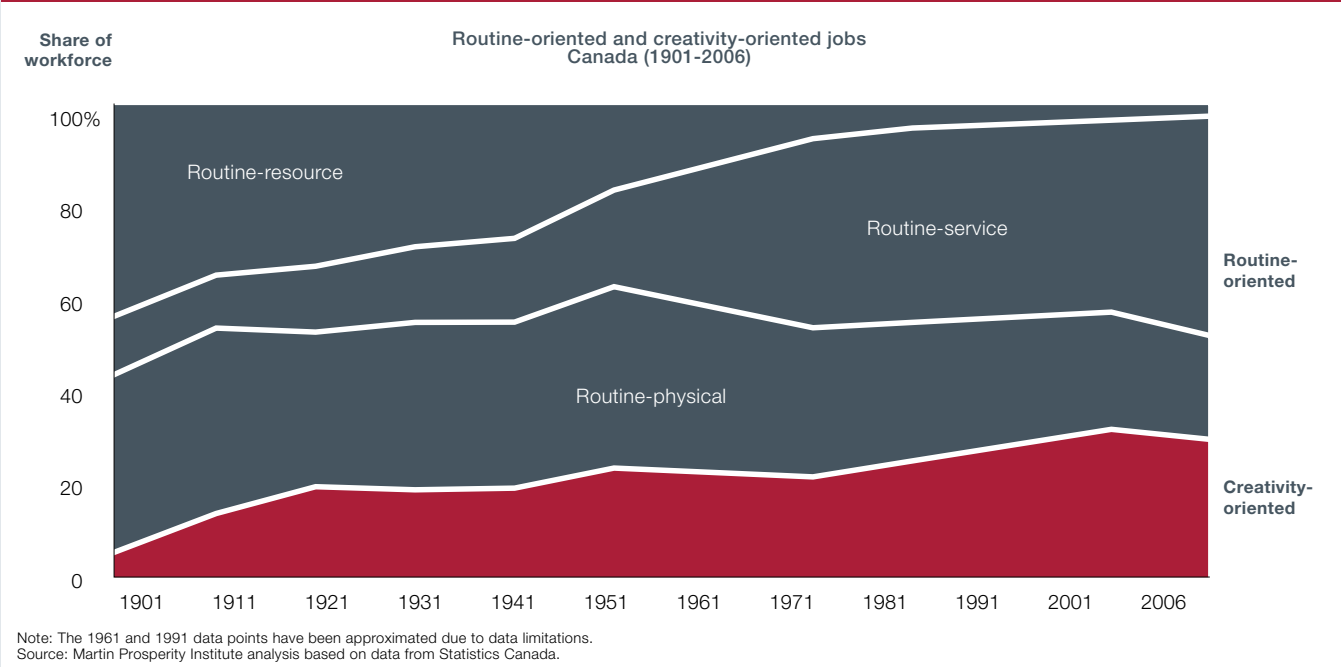
Workers in routine-oriented occupations are either performing routine-physical labour or routine-service functions. The number of workers in occupations based on physical labour is declining as a percentage of the total work force (*Exhibit A*). These workers are much more likely to be unemployed, especially in an economic downturn. But workers in routine-oriented service occupations – retail clerks and restaurant and hotel staff – are much more numerous as a result of the rise of creative occupations. Those in creativity-oriented occupations, who often work long days and nights, rely on those office cleaners, delivery people,

and many others in the service economy. In fact, the service economy is the supporting infrastructure of the creative age.

Creativity-oriented occupations require workers to apply thinking and knowledge skills to changing situations and to make decisions on how best to proceed. An experienced lawyer, for example, will recognize the key problems in a case and apply experience to determine what tasks need to be done in what order for that specific case. But every lawyer's case is different. Creativity-oriented jobs require knowledge and understanding in specific fields, but they also depend heavily on the ability of workers to recognize patterns, analyze alternatives, and decide the best way to proceed. Creativity-oriented jobs include scientists and technologists, artists and entertainers, and managers and analysts.

The proportion of people in creativity-oriented occupations has increased threefold over the past century and

Exhibit A The share of creativity-oriented jobs is increasing



^a This sidebar is adapted from Roger Martin and Richard Florida, *Ontario in the Creative Age*, Martin Prosperity Institute, February 2009.

especially over the past two decades. And those who earn their income from their creativity do much better economically than those who work in jobs based on rote tasks.

We need to improve the wages and working conditions of those who work in the routine-oriented jobs that are the lifeblood of that infrastructure. Just as in the industrial age, we succeeded in improving working conditions in once hellish steel mills and auto assembly plants, we now need to ensure workers in routine-oriented jobs enjoy the benefits of the creative age. Certainly a lot of jobs – in the hair salon, on the construction site, or in the restaurant kitchen – already involve creative work. We need to recognize and reward that creativity more than we do. Some other jobs, too, can become more creative with higher rewards.

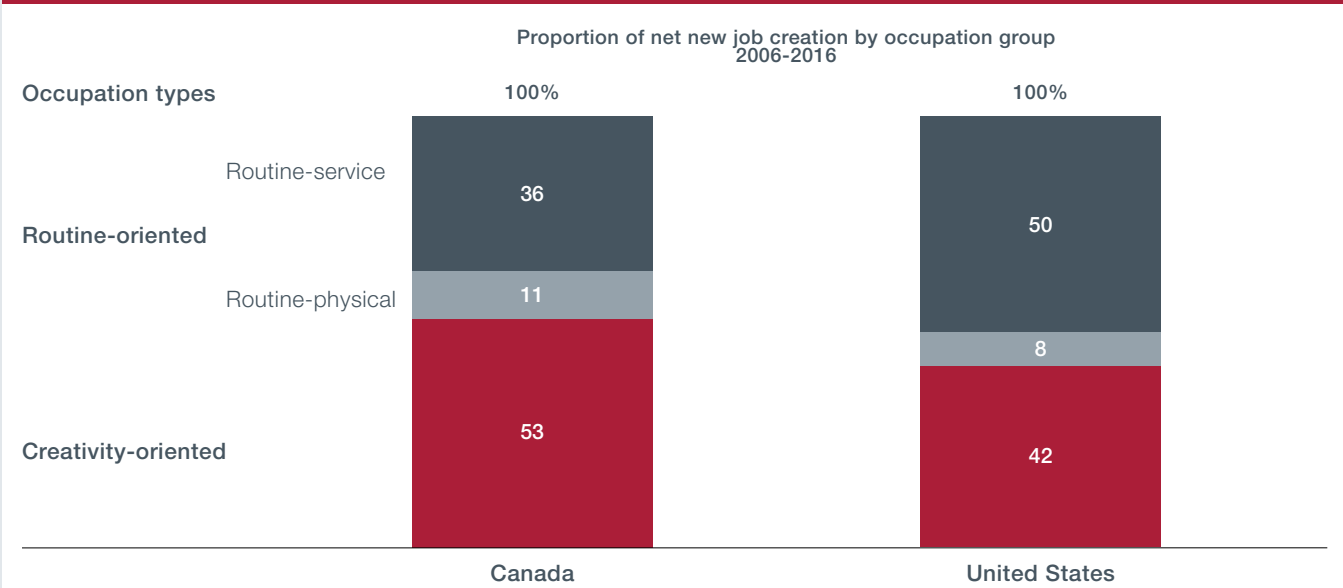
There is no magic bullet. But sooner or later some jurisdiction will determine how to tap more fully the creative talents of

much broader segments of its people – and it will gain a distinctive advantage. Japan’s auto manufacturers plumbed the knowledge and creativity of their shop-floor workers and gained a tremendous competitive advantage. Canada’s own Four Seasons has done so in bringing guest service to new, world beating levels, thanks to empowered front-line employees. Drawing on the creativity of people whose jobs presently ask for none will multiply this many times over. Relegating vast numbers of people to do work that is more routine than it needs to be is a dreadful waste of human capabilities.

Businesses in Canada do not currently deploy creative workers to the best advantage. What’s more, our economy is currently “tuned” to under value increases in the creative content of all occupations. We need a dramatic transformation in both our occupational structure – what people do – and in our industrial structure – what we produce.

Our economy has experienced the dramatic growth of some occupational classes, alongside the significant decline of others. Employment in creativity-oriented occupations is growing faster than average in Canada. Over the past twenty-five years, the creativity-oriented occupations have increased from 24 percent of the country’s work force to 29 percent, while routine-oriented jobs have declined from 75 to 71 percent. But within routine-oriented occupations, we have seen a massive shift. Routine-oriented physical jobs, like those in manufacturing, transportation, and construction, have fallen from 29 percent to 22 percent, while those in routine-oriented service jobs have grown from 41 percent to 46 percent.^b Our projections show that creativity-oriented occupations and routine-oriented service occupations will continue to grow much faster than routine-physical occupations (*Exhibit B*).

Exhibit B New jobs in the coming decade will be in creativity-oriented and routine-oriented service occupations



Source: Martin Prosperity Institute and Institute for Competitiveness & Prosperity analysis based on data from Human Resources and Skills Development Canada; US Bureau of Labor Statistics, Occupational Employment Projections (2006-2016).

^b The other type of routine-oriented occupation is resource-oriented (e.g., agriculture, mining, or forestry workers) where employment has declined from 5 percent to 3 percent of the workforce, over the past 25 years.