

# To compete, Miami must brew winning formula

In an increasingly challenging global economy, it is “competitiveness” that provides significant advantages to nations and to firms. According to the latest Global Competitiveness Report produced by the World Economic Forum, the US moved up from No. 5



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in 2013 to No. 3, just behind Switzerland and Singapore. At the firm level, 16 of the top 20 most competitive consumer goods companies are American, as are the overwhelming majority of technology companies.

Missing from these rankings, however, is an overlooked reality that is shaping the competitive landscape – namely, the competitiveness and innovativeness of states and cities. How the US fares as a nation impacts us less than how our state and communities score in this regard.

So just how competitive and innovative are Florida, in general, and Miami, specifically?

Perusing streams of economic and business data reveals a mixed picture. Sure, a highly favorable climate and the lack of a state income tax are big pluses. The Tax Foundation’s State Business Tax Climate Index ranks Florida No. 4 among the best states for business.

On the other hand, half the states in the country have a lower cost of living than Florida, and the American Society of Civil Engineers’ “2016 Report Card for Florida’s Infrastructure” grades us a “C”.

At the metropolitan level, Greater Miami has made a quantum leap over the past decade and set the stage for increased momentum as a competitive locale. En-

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trepreneurship has been incorporated into our DNA now.

The main institutional drivers such as the Knight Foundation, eMerge Americas and the county have been the catalysts for growing entrepreneurial endeavors. Moreover, other key drivers such as Venture Hive, Endeavor and the educational community (Launch Pad at UM; Start-up FIU; and MDC’s 10,000 Small Businesses and the Idea Center) have stepped up to the plate to enhance our community’s competitiveness.

Not surprisingly, our region ranks No. 2 in start-up creation, according to a Kauffman Foundation study, right behind Austin. With coding academies popping up and projects such as Magic City, a tech innovation district, coming to Little Haiti, there is much to be optimistic about.

However, we should not blind ourselves to where we come up short. The same study that ranks us No. 2 in start-up creation ranks us second to last for scale-ups (just ahead of Detroit). Miami is only 14th in the nation in venture capital; and without those resources, start-ups cannot tap into the monetary infusion necessary to survive and thrive.

One should not discount, either, quality of life issues such as transportation, housing and schools that may impact (negatively) start-ups’ decision to remain in our region or move elsewhere for the scale-up phase. For without scaling up, we cannot reap

the benefits of the most advanced stage of entrepreneurship and competitiveness – innovation.

That term has become misused and overused in our community almost as much as the cringe-worthy term “awesome”. The reality is that we may be entrepreneurial and competitive (with selected products and services) but we are not innovative for the most part. Uber is innovative. UberEats is not. Magic Leap and U.S. Stem Cell are innovative. A chain of sushi restaurants and an app that finds you good concert tickets are not.

The precursor and driver of greater competitiveness, let alone innovation, is first-rate human capital. Urbanologist Richard Florida in his “The Rise of the Creative Class” suggests that a creative class, consisting of professionals in innovative and artistic occupations, is the main catalyst for continued development of modern cities. His report “Miami’s Great Inflection,” a product of the FIU-Miami Creative Initiative, is most instructive and spells out both the challenges and opportunities before us.

As with nations and industries, the competitiveness of cities can ebb and flow. For Miami, what happens at the national level or even state level will impact us (and challenge us) far less than what occurs in other metro areas such as Boston, Raleigh, Washington and San Francisco.

Competing successfully is contingent upon creating a winning formula to continually improve human and physical infrastructure and public services, providing affordable housing, boosting educational and workforce performance, and increasing employment opportunities at all levels. Mr. Florida’s “Miami’s Great Inflection” is not just an engaging diagnostic report but a spot-on prescription and call to action.

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