CPRN Discussion Paper

Why Cities Matter:
Policy Research Perspectives for Canada

By

Neil Bradford, Ph.D.

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Foreword

Canada has often presented itself as a land of "wide open spaces" in which cities were important, to be sure, but as supports for the "real action" on farms, in the fishery, mines and so on. In the last decades, however, three things have changed and have altered this self-perception dramatically. First, there is growing recognition of the national *and* local importance of urban spaces as the site of innovation, economic development and social and political interaction. Second, our smaller cities, just as our major ones, are showing signs of serious strain and problems. Third, there is growing concern that existing policy, planning, and financial arrangements cannot address current challenges to urban success or the tasks devolved to the cities by senior governments. Indeed, while Canadian cities were for many years proudly held up as positive examples in the face of the myriad difficulties of American cities, this image is tarnished, as ours flounder and authorities in the United States invest in revitalizing their city-regions.

The growing interest and concern about city-regions has provoked a wave of research papers and policy conferences in and about Canada's largest cities. CPRN has chosen to contribute to this lively policy discourse by playing an integrative role – linking together the research and policy communities across Canada, across jurisdictions, and across disciplines.

To launch CPRN's entry into this discourse, the Family Network commissioned Neil Bradford, Professor of Political Science at the Huron University College of the University of Western Ontario to prepare this paper. Its primary goal is to clarify the major issues, the different perspectives, and the central debates now engaging policy actors in the public, private and voluntary sectors.

The paper outlines the reasons why cities matter so much at this time in our history. It reviews the previous periods in the 20th century when urban issues rose to the top of the policy agenda, and it explores the similarities and differences among four distinct streams of research thought – economic clusters, social inclusion, community development, and environmental sustainability. While each of these research streams stresses the importance of urban spaces, they do not produce a consensus about the future direction of policy or about the most appropriate governance arrangements.

Dr. Bradford emphasizes that the policy and government challenges are both vertical and horizontal. They are vertical because city-regions are strongly influenced by municipal, provincial, and federal governments as well as international institutions. They are horizontal because it is of key importance to link city-region networks from inner city to suburbs to rural hinterland, and to harmonize choices being made on social, economic, and environmental issues.

Much remains to be done if Canada is going to seize the opportunities created by its urban spaces and avoid the potential risks to social, economic, and financial sustainability. In the next years and with follow-up projects, CPRN and its Family Network, via its Cities and Communities research stream will be doing its part to address this agenda, and to link together the many disparate voices who have a direct interest in the outcome.

I wish to thank Neil Bradford for clarifying the issues and setting out a rich research agenda, as well as the 22 people who discussed an earlier draft of the paper at a Roundtable in April. It was exciting to have people from different backgrounds and cities share reactions to the paper. I also wish to thank the consortium of federal, provincial, municipal, business, and foundation funders who made the project possible. Their names are listed at the end of this document.

Judith Maxwell
May 2002

Executive Summary

Recently, there has been growing awareness of the importance of cities as strategic spaces and actors in the age of globalization. Contrary to predictions of the "locationless" effects of virtual communications and the "death of distance" in a weightless economy, urban centers have become more – not less – important as places where people live, work and play. Knowledge-based innovation is the critical ingredient for prosperity and well-being in the 21st century, and it thrives in local spaces that cluster economic producers, value diverse ideas and cultures, and include all residents in learning opportunities. Yet, experience shows that cities can be both engines of national prosperity and locales where the risks of social exclusion and environmental degradation are greatest.

In fact, many observers now warn of complacency about the state of cities in Canada, perhaps traceable to the fact that in comparison to the United States, our urban areas historically have performed very well. With lower crime rates, less social disparity and spatial segregation, and more vital downtowns, Canadian cities have provided a good quality of life and welcoming environment for most people to carry on their lives. However, there is concern in many quarters that Canadian cities are living off investments made decades ago and that out-dated governance structures and limited policy imagination block their capacity for renewal. While other countries experiment with new approaches, the danger is that Canada is resting on its laurels. Better understanding is required of the factors that will sustain vibrant Canadian cities and healthy communities in a global age.

This report takes stock of current knowledge about the problems and prospects of our cities. *Its primary goal is the clarification of major issues, differing perspectives, and central debates* in a rapidly evolving and complex field of policy inquiry and action. It seeks to provide a baseline for further public discussion by situating the choices facing Canadian cities today in their historical context, and in relation to contemporary intellectual debates about how cities work and, indeed, how they might work better. The paper ends by mapping an agenda for further urban research, with questions and topics crossing all scales of governance and policy action – local, regional, provincial, national, and global.

The first part of the paper unpacks the complex economic, societal, and political transformations that have put Canadian cities "back on the agenda" of policy communities. Canada is one of the most urbanized nations in the world with nearly 80 percent of its citizens living in urban areas, and some 64 percent of the population living in the country's 27 large and medium sized metropolitan areas. Its economy is increasingly service-based and these industries are concentrated in urban centres. Canada's seven largest metropolitan areas now generate almost 45 percent of the country's GDP. Alongside the urbanizing flows of people and commerce, realignments among Canadian governments have likewise brought cities to the fore. In the past decade, both federal and provincial governments have passed responsibility to municipal authorities for significant aspects of the urban infrastructure, ranging from transportation and communications to social services and cultural programs.

As such, cities are *the places* where today's major economic, social and environmental challenges most visibly intersect. Choices must be made about how our urban spaces will be managed, whether investments will be made in the human resources and physical infrastructure of cities, and what new fiscal tools and financing mechanisms will be available to municipalities. As the first section of the Discussion Paper concludes, Canadian policy communities must scrutinize long held conceptions of policy space in order to develop frameworks attuned to the dynamics of local places in the global age.

The second part of the paper provides historical perspective on these challenges and choices. Certainly, the present day is not the first time that such fundamental questions have surfaced about cities and their role in national life. In the 1960s, activists protested the consequences of Keynesian growth management for city neighourhoods and hinterland regions, just as municipal leaders now contest what they see as the anti-urban legacies of neo-liberal restructuring and retrenchment. In these turbulent periods, new "social knowledge" about relations between state, market, and communities emerged to inform significant shifts in national political discourse, with evident consequences for cities and their governance. The historical perspective clarifies that Canadian cities are now at another crossroads in their evolution. As in the past, the current round of uncertainty about cities has generated much creativity in social knowledge and collective action.

The third part of the paper maps four distinctive urban-focused mobilizations, all emphasizing the new significance of local places and all advancing strategies to regenerate Canadian cities. These four frameworks are:

- An *economic cluster* framework envisioning city-regions prospering by housing spatially concentrated, smaller-scale firms cooperating with one another and with public sector institutions for innovation in knowledge-intensive production to achieve global competitiveness.

- A *social inclusion* framework seeking full participation of all citizens in the economy, society, and polity, emphasizing that barriers to opportunity are increasingly concentrated in certain urban neighbourhoods, spatially segregating poorer residents already at risk of some form of exclusion.

- A *community economic development* framework focusing on local self-reliance and community capacity building in distressed areas such that the marginalized have the information and resources to access wider support services, learning networks, and housing and employment opportunities beyond their neighborhood.

- An *environmental sustainability* framework using ecosystems planning and concepts such as the bioregion to advocate a more compact built form for the city, and to clarify the manifold costs – fiscal, environmental, and health – of sprawling forms of development that encroach on agricultural lands and ecologically sensitive areas.

Detailed description of the ideas and strategies of each of these frameworks reveals some important commonalities and cross-cutting themes. All four take far more seriously than earlier public policy paradigms, the significance of *quality local places* in generating prosperity and well-being for citizens and nations. Each emphasize the advantages inherent in the "social dimensions" of urban life, expressed in networked forms of relations made possible by the geographic proximity of creative people from all walks of life. Such ongoing, face-to-face contact enables the knowledge sharing and collective investments that generate innovation in the economy, society, and environment. Of course, the precise composition of these social networks vary across the four frameworks, as do policy priorities for renewing the place quality of cities. Another key lesson, therefore, is that widespread agreement about the importance of cities in the global age is not yet matched by consensus on new policies or institutional arrangements.

Indeed, a major political challenge is to bring these distinctive discourses and their respective "advocacy networks" into some kind of *workable policy mix* for renewing cities. Are cluster strategies flanked by community economic development initiatives for poor people? Are sustainability goals embedded in land use planning for business parks and housing developments, or merely mentioned as an afterthought? Are the environmental hazards associated with urban production and consumption concentrated in the same neighbourhoods? If we are to build vibrant cities that are innovative *and* inclusive such questions must be front and center. They speak to the *vision* of the successful city-region, its *governance arrangements*, and *inter-governmental relationships*.

The fourth and final section of the paper builds on the preceding historical and analytical sections to address the possibilities for progress. It begins with a promising new vision of the city. *Community-based regionalism* envisions inclusive urban places where everyone is on the same "map" – city and suburb, business and labour, social movements and citizens, local politicians and planning experts, and provincial and federal representatives. Regional strategies are necessary because the city's problems of urban sprawl, air and water pollution, social polarization and spatial segregation, transportation gridlock, and decaying economic infrastructure will only be solved at that scale of action. Equally important, however, they must be "bottom-up," informed and structured by input from the neighbourhoods where people live, where community organizations work, and where vital policy intelligence resides. In this vision, strategic priorities include: regional tax equity, uniform levels of public service, and cooperation across municipalities in planning for ecosystems and economic development, which also integrate "cluster building" with skills formation in local labour markets.

Connecting the vision to practice raises fundamental questions about urban governance. Amidst much recent provincial experimentation with municipal structures, three main models are on offer: the single-tier "mega-city" forged through the amalgamation of municipalities; the voluntary inter-municipal network using region-wide *ad hoc* committees to decide specific infrastructure or planning priorities; and the two-tier advisory structures, where a regional body coordinates or oversees the implementation of joint municipal strategies.

As the Discussion Paper points out, these governance models remain "works in progress" across the Canadian urban landscape, and their relative merit continues to be hotly debated. Each will be judged ultimately on the basis of how well it manages three key urban governance tasks: enhancing democratic accountability; strengthening planning and policy capacities; and advancing public understanding of the vital interdependence of the city and its regions, from the downtown core to the suburbs and semi-rural hinterlands.

Talk of community-based regionalism and collaborative governance is largely about horizontal issues of networking and partnerships in local places. Perhaps of greater significance are vertical relationships that link the city-region to upper level provincial and federal governments. While regional planning and community involvement may be impressive, these localized processes must "scale up" to those levels of government where critical policy and financial choices are made. Municipalities are without constitutional standing and exist as creatures of the provinces. Economic globalization and political decentralization have increased their responsibilities while at the same time constricting their revenue streams. The result for many cities is an effective end to fiscal sustainability.

Growing appreciation in policy communities of the strategic import of local place quality has certainly called attention to the imbalance. Among the many reforms proposed, two broad thrusts are evident. First, a *power and resources strategy* recommends enhancing the autonomy of cities, contemplating a variety of instruments from constitutional recognition to more enabling provincial Municipal Acts and increased taxation powers. Second, a *mutual respect and partnership strategy* looks to a new set of understandings and relationships among Canada's three levels of government. In their dealings with federal and provincial officials, municipalities seek to replace "the culture of non-recognition and neglect" with one of "recognition and collaboration."

For both strategies, the underlying message is the same. Given the increasingly important role of cities in shaping the country's economic, social, and environmental well-being, expanded municipal participation in federal and provincial policy making is appropriate in many fields. The issue is not simply one of helping cities cope with their growing responsibilities but, equally, one of ensuring that the macro-level policy interventions of upper level governments are sufficiently informed by the locality's *contextual intelligence* to work effectively "on the ground." At a minimum, Canada's new urban agenda must better align federal, provincial, and municipal economic, environmental and social policies with the physical design and community planning of the country's diverse city-regions. In turn, better alignment of policy and planning will help redress the resource-responsibility gap experienced by local officials, and embed an urban lens in federal and provincial decision making.

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Introduction

Recently, there has been growing awareness of the importance of Canadian cities as strategic spaces and actors in the age of globalization. As Mario Polèse and Richard Stren (2000: 9) have observed, it is in cities that "many of the major questions and challenges of our civilization are being raised."   Contrary to initial expectations about the "locationless" effects of virtual communications and instantaneous transactions, urban centers have become more – not less – important as places where people work, live, and play. It turns out that knowledge-based innovation, critical for national success in the global economy, thrives in those local places that cluster economic producers, value diverse ideas and culture, and involve all residents in learning opportunities. Such communities, making the most of the advantages conferred by density and proximity, are increasingly recognized as the foundation for Canada's economic and social well being in the 21st century.

Yet, appreciation of the "difference place makes" and the role of cities in determining citizen well-being and national prosperity also lead us to consider alternative futures. Simply put, there is nothing automatic or easy about the emergence of cities that are innovative, cohesive, and inclusive. A darker scenario is also possible, where economic restructuring concentrates its burdens in specific neighbourhoods – with more poor people becoming more isolated from the mainstream; where international migrants find themselves blocked from full participation and turn inward or experience cultural marginalization; or where sprawling developments combine to segregate communities, destroy ecosystems, and constrain civic engagement.

An urgent priority for decision-makers, therefore, is to acquire a better understanding, founded on evidence-based research, of the conditions and factors enabling cities to combine the goals of economic innovation, social cohesion, and environmental sustainability. Certainly, there is growing interest across policy communities in the changing role and needs of cities in the global age. In Canada, the Prime Minister announced the formation of the Prime Minister's Caucus Task Force on Urban Issues in May 2001 (Prime Minister's Caucus Task Force on Urban Issues, 2002). This process builds on work already underway in other venues, including the Canada West Foundation, the Federation of Canadian Municipalities, and the National Roundtable on the Environment and the Economy.

The concern is hardly confined to Canada. In the United States, a host of research institutions, think-tanks, and less formal policy networks have focused on the complex problems of social polarization and spatial segregation in American urban spaces.   The European Union has implemented a number of urban programs and projects in member countries, aimed particularly at those cities struggling to adjust to the challenges of the new economy. Leading international organizations such as the OECD and UNESCO have recently launched their own research programs and demonstration projects to learn more about what makes city-regions successful. All this policy-relevant knowledge has also been matched by new concepts and theories from scholars who are tracking changes and interpreting responses from governments, the private sector, and community groups.

In short, the present time is one of intense interest in the problems and prospects of cities. Theories, data, and recommendations are coming from all directions. This Discussion Paper takes stock of the many ideas by providing a thematic mapping of key trends. *Its primary goal is the clarification of major issues, differing perspectives, and central debates.* It seeks to provide a baseline for further policy discussions by situating the choices and challenges facing Canadian cities today in their historical context, and in relation to contemporary intellectual debates about how cities work and, indeed, how they might work better.

The Discussion Paper is organized in four parts. The first section of the paper provides an overview of the reasons why Canadian cities are now "back on the agenda" of policy communities. It highlights transformations in the economy, society, and polity that are making cities significant places in a more complex, interdependent world. The second section steps back to provide an historical perspective. The current period is not the first time that cities have been the subject of interest, and this section will trace shifting national discourses about "political space" and the role of cities in Canadian development.

Against this backdrop, the third section looks more closely at the current conjuncture, mapping four different urban-focused mobilizations, all emphasizing the significance of *local places* in a global age. A key lesson from this section is that widespread agreement about the importance of cities is not yet matched by consensus on new policy priorities or institutional arrangements. The fourth and final section of the paper builds on the preceding historical and analytical sections to address the emerging challenges of governance arrangements within city-regions and of policy relationships across levels of government. It closes by identifying some priority areas for further research in building more innovative, equitable, and sustainable cities.

At the outset, we must note that Canada's urban reality is defined by great diversity in the size and scale of what are broadly termed cities (see Box 1). In this Discussion Paper, the principal focus is on larger cities – the major census metropolitan areas and city-regions – where the pressures for change are greatest, the call for innovation most urgent and, not surprisingly, where the bulk of urban scholarship and policy analysis has been concentrated. We recognize that the question is still open whether the frameworks and perspectives brought forward in this paper need refinement, or even recasting, to capture the experiences and opportunities in medium sized and smaller cities. Indeed, an important issue for further research concerns the degree to which cities of widely different size and complexity can be grouped together for purposes of urban analysis (for elaboration, see Appendix A). Simply put, are the challenges confronting Canada's largest city-regions qualitatively different from those in smaller centres, pointing to the need for alternative frameworks and policy perspectives? Or, is the "national urban system" better understood as a continuum where the same basic problems and prospects simply become magnified in larger cities? The concern here is not just analytical: answers to these questions will certainly influence choices about the design of appropriate policy strategies to meet the needs of *all* Canadian cities.

Box 1: Canadian Cities: Basic Categories

Census Agglomeration: Defined by Statistics Canada as a place with one or more adjacent municipalities situated around an urban core with a minimum population of 10,000. The adjacent municipality or municipalities exhibit a high degree of economic and social integration with the urban core. In 2001, 79 percent of Canadians lived in an urban area with a population of 10,000 people or more.

Census Metropolitan Area: Defined by Statistics Canada as a place with one or more adjacent municipalities situated around a major urban core with a minimum population of 100,000. The adjacent municipality or municipalities must have a high degree of economic and social integration with the urban core. In 2001, 64 percent of Canadians lived in the country's 27 census metropolitan areas.

City-region: Researchers increasingly use the concept of city-region to describe the large-scale, sprawling spatial entities that encompass urban cores, inner suburbs, outer suburbs, outlying semi-rural areas and rural hinterlands. Despite their geographic extent, diversity of form, and complex political arrangements, city-regions exhibit a high degree of economic and social integration. They are "regarded as the key node, 'relay point' or 'gateway' of national economic space assuring the connections between national and global economies, and between national economies and the regions" (Coffey, 1994: 7). Precise definitions of the city-region vary but the Canadian list features Toronto, Montreal, and Vancouver, and often is extended to include Ottawa-Hull, Calgary, Edmonton and Winnipeg. Statistics Canada has identified four "broad urban regions": the extended Golden Horseshoe in southern Ontario; Montreal and its adjacent region; the Lower Mainland of British Columbia and southern Vancouver Island; and the Calgary-Edmonton corridor. In 2001, 51 percent of Canada's population lived in these four city-regions.

Source: Statistics Canada, 2002.

Part 1. Global Transformations – Economy, Society, and Polity

1.1   Cities – Back on the Agenda?

In many ways, all the attention now being paid to cities is somewhat surprising. The burst of "techno-enthusiasm" that initially accompanied globalization and the information revolution led many observers to predict the "end of geography" and "the death of distance" (O'Brien, 1992; Cairncross, 1997). The Internet and World Wide Web promised a fundamental transformation in how and where people worked and lived. Mobile knowledge workers, footloose transnational corporations, and electronic consumers – all freed from the constraints of place by instantaneous global transactions – would disperse across the landscape. Just as globalization's frictionless capital flows and freer trade supposedly erased policy differences among nation-states, a world of virtual communication "would render obsolete the traditional reasons why people gathered together in cities: to be close to jobs, culture and education, and shopping" (Dreier, Mollenkopf, and Swanstrom, 2001: 2).

It turns out that these expectations, widely held only a decade or so ago, are substantially wrong. Certainly population flows tell another story. Canadian demographers continue to track the "urban explosion" that has characterized settlement patterns across the 20th century. In 1921, for example, there were only six urban areas in Canada with a population over 100,000 and no metropolitan area had more than one million inhabitants. By 2001, there were 27 urban areas with a population over 100,000, four of which had over a million residents – Toronto, Vancouver, Montreal, and Ottawa-Hull. Today, Canada is one of the most urbanized nations in the world with nearly 80 percent of its citizens living in cities, and some 64 percent of the entire population living in the country's 27 large and mid-sized metropolitan areas (Statistics Canada, 2002). As Larry Bourne summarizes, "the average Canadian now lives and works in a large metropolitan environment, a very different living experience from that of previous generations" (Bourne, 2000: 29).

Contributing to this urbanization, of course, has been immigration. The great majority of immigrants choose to live in Canada's largest cities. Recent data shows that nearly 78 percent of all immigrants to Canada settled in one of five centers – Toronto, Vancouver, Montreal, Calgary or Ottawa-Carleton – with Toronto alone accounting for 44 percent of the inflow (Gertler, 2001: 5-6). This pattern can be attributed to a variety of factors, including the access to community supports and settlement services in multiple languages that are available in larger cities, and the "thickness" of urban labour markets, offering multiple entry points for new workers. Today, immigrants overwhelmingly come from non-European countries in the South, meaning that our large cities have become diverse multi-ethnic, multi-racial places. They are home to a rich cross-section of newcomers – refugees admitted on humanitarian grounds, individuals rejoining family members, business people with money to invest, and professionals admitted on the basis of educational achievement or specialized skills.

Complementing these urbanizing population flows are economic and employment trends. The structure of the Canadian economy, like that of most others in the OECD, shifted dramatically in the second half of the 20th century. Agriculture, natural resource exploitation, and secondary manufacturing all have given substantial ground in the march toward a service-based economy (Britton, 1996; Reich, 1991). In turn, service industries are concentrated in urban areas.

On one hand, knowledge-intensive services in business, finance, and the professions depend on a range of analytic and information skills to generate innovations. As we will see in detail later in this paper, these activities thrive in dense, localized labour markets that are rich in human capital and personal interactions. On the other hand, and at the other end of the income and jobs continuum, in-person service providers also depend for their livelihood on being located in concentrated population settlements. Given these dynamics, it is not surprising that Canada's seven largest metropolitan areas generate almost 45 percent of the country's GDP, or that cities such as Vancouver, Winnipeg, and Montreal account for more than half their province's GDP. As Saskia Sassen succinctly puts it, cities are the places where "the work of globalization gets done" (quoted in Clarke and Gaile, 1998: 26).

Finally, the flows of people and capital into Canadian cities are reinforced by political transformations. Upper level governments have passed responsibility to municipal authorities for significant aspects of both social and physical infrastructures. Such decentralization may express the principle of subsidiarity as adopted by the International Union of Local Authorities, effectively compensating for the inadequacies of national governments in providing the differentiated and spatially-sensitive programs required by investors and citizens alike in the "new economy" (Federation of Canadian Municipalities, 2002). However, such aspirations ring hollow if the decentralization is rooted in cost-cutting by upper level governments seeking to escape political responsibility for services they choose no longer to fund.

In Canada there has been heated debate about the practical consequences of such realignments when the downward flow of program responsibilities far outpaces the transfer of financial resources and policy capacity. In all of this, it is clear that local governments are acquiring a significance in policy terms, if not political recognition, well beyond their traditional role as passive administrative units in a centralized welfare state. Interpreting this change process, and the challenges and opportunities contained therein, is a topic explored throughout this Discussion Paper.

In sum, the dynamics of globalization and the information technology revolution have increased not diminished the significance of cities. Demographic and economic trends continue to make cities the place where the vast majority of Canadians live and work. Political relations within the state system that drive policy responsibility downward to local officials have paralleled the steady movements of commerce and people into cities.

1.2   Global Spaces and Local Places

Globalization is a multi-faceted phenomenon of great consequence for cities and their residents. For our purposes, economic globalization means the integration of global markets for investment, production, and consumption, driven by the decisions of transnational corporations operating on a world scale. The process has been accelerated by information and communications technologies that dramatically enhance the mobility of capital, goods, ideas, and people across borders. In countries such as Canada, globalization is transforming the economy from one built around natural resource extraction and mass production manufacturing to one based on services and knowledge-based industries featuring flexible specialization and high value added processes. The social and spatial effects of these shifts are more and more apparent.

Some people, highly educated and technically proficient, have flourished in the new labour market of the global economy, while many others, less skilled and connected, struggle to find their way. Similarly, some places have emerged as strategic nodes in the new geography of the global economy, where others are subject to de-industrialization and neighbourhood decline. Globalization has generated greater aggregate wealth, but its growth has been accompanied by social polarization and spatial segregation, much of it concentrated in the world's urban regions (Sassen, 1991; Marcuse and van Kampen, 2000).

Indeed, a number of policy analysts have identified the "interplay of global spaces and local places" as a central feature of the current round of economic and political restructuring. Certainly, the research community in Canada and elsewhere is taking notice. (Donald, 2001). Meric Gertler (2001) has recently tracked the spatial convergence in Canadian cities of globalization's three most powerful flows – of people, ideas, and capital. How local actors manage these flows, he concludes, has major consequences for the nation's economic innovation and social cohesion.

In a similar vein, regulation theorists have mapped cross-national trends toward a "hollowing out" of the traditional resources of the nation-state, making the supra-national and local scales more significant in governing economies and societies (Jessop, 1997; Amin, 1994). They analyze political struggles over the "re-scaling" of state authority as critical policy debates. Where once these were contained almost exclusively at the national or provincial level, they increasingly engage local authorities, whether municipal or regional, and community-based actors in the economy and civil society (Swyngedouw, 1997; 2000).

Susan Clarke and Gary Gaile conclude from numerous case studies of urban economic development in the United States that today's globalization "is constituted and enabled by an array of local *practices* rather than broad, unspecified sweeps of technological and economic changes" (1998: 4). Such local practices, they point out, are simultaneously economic, political, and cultural.

These insights underscore the need now for what has been properly called a "place perspective" on political life and public policy (Agnew, 1987: 41; Keil, Wekerle, and Bell, 1996). This perspective sees local places not in nostalgic terms of traditional, homogenous communities, nor as mere locations on a map, but rather as dynamic locales where larger flows and processes that structure daily life are given concrete meaning. As John Agnew (1987: 6) puts it, "the social contexts provided by local territorial-cultural settings (neighbourhoods, towns, cities, small rural areas) are viewed as crucial in defining distinctive political identities and subsequent political activities – from votes to strikes to street violence."

But these local processes work not only to shape the kinds of political behaviour described by Agnew. As Gertler, Clark and Gaile, and others have shown, they also are crucial in today's globalized world in defining local development strategies that significantly impact national or provincial capacities for meeting major societal goals, from economic innovation to social cohesion and environmental sustainability. It follows that how cities – today's most strategic local places – work, or conversely do not work, is a matter of real importance.

As places where globalization's flows most visibly intersect, cities are necessarily called upon to make choices with far-reaching consequence about the "adjustment paths" followed by countries. How localities make these choices – and equally important the extra-local supports available to ensure their quality – are thus urgent priorities for policy communities at all levels of government. In other words, we need to know not simply that *place matters* more today but, equally, what is required for cities to be able to enhance their *quality of place*. Decision-makers now face the challenge of understanding the factors that enable cities to make the most of the advantages of population density, and the close proximity of creative people from all walks of life.

As we shall see in more detail later in this paper, there are two main perspectives on the issues. The first perspective takes its departure point from theories about the competitive logic of the new economy with its knowledge-intensive forms of production. Cities represent an ideal space for the idea fermentation and organizational synergies that drive economic innovation. But this does not mean cities, by the very nature of their concentrated populations and proximate economic actors, supply the appropriate "innovative milieu." Instead, it is the special attributes of *particular* local places that represent advantages for leading edge firms.

If place itself becomes a key factor of production, then there is work to be done to ensure that any given locale meets the requisite quality standard. Public investment in the knowledge infrastructure is one important step, but deriving maximum return from such investments ultimately depends on the creativity and ideas of knowledge workers – the software writers, management consultants, scientists, artists, engineers, Web designers, policy analysts, and so forth, whom Richard Florida terms "talent" or Robert Reich labels "symbolic analysts." With their education, skills, and creativity, these people are highly mobile, but they tend to co-locate. Reich (1991: 234) notes that symbolic analysts "are concentrated in specialized geographic pockets where they live, work and learn with other symbolic analysts devoted to a common kind of problem-solving, – identifying and brokering. The cities and regions around which they have clustered, and the specialties with which these places are identified, are valued around the world."

Richard Florida has built on this point through his focus groups with knowledge workers and his tracking of high technology investment flows into American locales (Florida, 2000a; Florida and Gates, 2001). He finds that such talent is not interested in just any city; rather people are very selective about where they choose to settle. They are discerning critics of place quality. At the top of the list are those cities that value cultural diversity, provide lifestyle amenities, and respect the environment, including both its historic built form and natural landscape. Accordingly, those American cities with the greatest overall diversity and tolerance also house the most dynamic high technology firms and are best positioned for success in the new economy. Moreover, the advantages flowing to such "hot spots" are cumulative, since a pace of innovation far beyond the norm thickens the local labour market to attract more talent and investment. In a global economy of constant change, corporate restructuring, and worldwide networks, Florida (2000b) reports that cities known for their place quality become a valued source of identity for their residents – at least for those able to take full advantage of their exceptional opportunities and amenities.

Indeed, there is another perspective on how place matters to people. It is also concerned with the new economy, but looks at the daily lives of those citizens who find themselves "on the wrong side of the 'digital divide'" (Dreier, Mollenkopf, and Swanstrom, 2001: 2). The focus shifts from the younger, often single, mobile knowledge worker well-equipped to prosper in flexible production, to the poorer individuals and families who know only too well that globalization and new technologies have neither freed them from the constraints of local place nor empowered them to make new choices about where to live or work.

On the contrary, globalization or technological innovation may have only "relocated" them in occupational terms, from a relatively well-paid, full-time manufacturing job to insecure, low-paid service employment. Further, these people may not own a computer or even have access to the Internet (Dreier, Mollenkopf, and Swanstrom, 2001: 2). Often lacking a car, they depend on public transit and face the stress of long commutes that cut into family time and create barriers to enjoying the lifestyle amenities – outdoor recreation and the arts or club scenes – characterizing quality places and accessed by their more privileged residents. Geographers have demonstrated how such places make it more difficult for women to live safely and find meaningful jobs, or to participate in civic affairs (Massey, 1994; MacKenzie, 1988).

Clearly, for poor and working class people, place matters in a very different way from the mobile knowledge worker. "Stuck in place" and information-poor, they must rely on their own personal resources and informal contacts to find out about jobs and other opportunities. People living in such neighbourhoods of disadvantage face overwhelming obstacles in making progress. They become locked in low quality places, as do their children, and their problems persist over generations.

Thus, cities are pivotal spaces, both as potential engines of national prosperity and as locales where the risks of social exclusion are greatest. Mario Polèse and Richard Stren have captured the double-sided dynamic that drives the way local place matters, even in a global age. "Geographical proximity," they observe, "has been a source of both social stress and of social innovation – the latter is the chief strength of the city, the former its greatest challenge" (Polèse and Stren, 2000: 8).

In fact, it is the challenges that now most preoccupy analysts of Canada's cities. Indeed, Canada's cities have become the places concentrating the country's most pronounced threats to equality and opportunity.

1.3 The Challenges Facing Canadian Cities

Economic Restructuring and Poverty

During the 1980s and 1990s, the distribution of income within Canadian society became decidedly more polarized. The rich got richer, the middle class declined, and the poor got poorer and grew in number (Jackson, *et al.*, 2000). These negative trends reflected a profound restructuring of the Canadian economy, as the combined impact of recessionary conditions, continental and global production rationalization, and technological change took its toll on employment and income levels.

The rapid expansion of the service sector economy has contributed to an unequal segmenting of the labour market. While some service sector jobs are well paid and secure, many are part-time or short term, and non-unionized with low pay and few benefits (Filion and Rutherford, 2000). Women, young people, and people of colour find themselves disproportionately represented in bad jobs.

As Kevin Lee (2000) has documented, the polarization and poverty evident at the national level is even more pronounced in cities. While the total population in metropolitan areas grew by 6.9 percent between 1990 and 1995, the poor population in the same areas grew by 33.8 percent. Similarly, a Federation of Canadian Municipalities (2001c) study on urban quality of life show these trends have continued, even as income and employment growth moved upward in the late 1990s. Any recovery thus far has not altered the entrenched urban problems of homelessness and child poverty. Concern about marginalized groups in Canadian cities, such as the homeless, the mentally ill, and transient unemployed youth, has now been widened to include other vulnerable urban dwellers – those on fixed incomes, the elderly, refugees, and single mothers and their children (Bourne, 2000; Séguin and Germain, 2000: 47).

Socio-Spatial Segregation

Canadian urban areas have never produced the degree of spatial segregation evident in American inner-city ghettos, where stark differences exist between wealthy suburbs and distressed inner cities, overlain by the concentration of African-American and Hispanics in the latter areas (Ley and Germain, 1997). Moreover, immigrants have tended to disperse throughout Canadian cities and suburbs, making most residential areas diverse and cosmopolitan rather than ethnically concentrated and segregated. However, recent economic and labour market restructuring in Canadian cities have led some experts to track a growing number of poor families spatially located in the poorest neighbourhoods, suggesting a declining social mix within communities (Lee, 2000; Gertler, 2001). Poverty rates in these neighbourhoods, often in the central city but also in older inner suburban rings, are growing at a much faster rate than are those in proximate outer suburbs or so-called edge cities.

As well, the incidence of poverty in Canadian cities is very unevenly distributed across sociocultural groups. Aboriginal people, visible minorities, people with disabilities, lone parent families, and elderly women all exhibit rates of poverty much higher than the average for all city residents (Lee, 2000: 91). Among immigrants, refugee claimants and non-permanent residents experience poverty rates well above the norm. Tackling these problems will require dedicated resources for immigrant settlement and labour market inclusion. In short, there is mounting evidence across Canadian urban space of the challenges in "managing cities of difference" (Sandercock, 2000: 1; The Metropolis Project, 2002).

Sprawling Development and Environmental Degradation

Linked to the problems of social polarization and spatial segregation is the continued spread of commercial and residential development into the surrounding countryside. The negative consequences of urban sprawl are by now well known. Investment and population shifts within the metropolitan region leave certain municipalities and neighbourhoods, either inner city or older suburbs, with higher unemployment, reduced revenues, and larger social service needs. The problems can be amplified, as in some American cities, where "edge city" municipalities enact measures to prevent mixed-used development or low-income housing in their "backyard" (Dale, 1999).

Sprawl thus focuses attention on the dangers of political fragmentation across metropolitan spaces. Governance mechanisms must redistribute wealth from richer to poorer places if the problems of spatially concentrated poverty are not to become intractable zones of exclusion, and if competition between municipalities for investment is not to become a wasteful, zero-sum game (Frisken, *et al.*, 2000). Further, the expressways that accompany sprawl are a costly and inefficient use of public infrastructure monies, with the added risks of environmental destruction. Sprawling development causes more air pollution and wasteful energy consumption than compact built forms.

Crime and Insecurity

The inequality that has accompanied the most recent round of economic restructuring breeds a widening sense of economic despair, cultural alienation, and social isolation. These feelings are most acute among people trapped at the bottom of the income and opportunity scale and those sliding downward. Frustrations can be expressed in anti-social and criminal behaviours. While rates of violent crime have been going down almost everywhere, justifiable concerns about personal safety still exist, particularly among women, the elderly, people of colour, and the poor (METRAC 2001; CAFSU, 2001). Moreover, it is perception of crime as much as the actual trends that carry negative consequences for city life. Fears about violent crime almost always contribute to middle class flight from inner city neighbourhoods, leaving those left behind with fewer resources to cope with real economic distress and social disadvantage. As well, such insecurities also lead to avoidance of the public spaces – from parks to streets to civic squares – that are integral to the community fabric and sense of shared space.

Changing National and Provincial Policies

Local governments in Canada have no constitutional standing, existing as creatures of the provinces. Given their limited power and resources, it is understandable that local officials have long relied on upper level governments in meeting their obligations to resident citizens, businesses, and organizations. Indeed, comparative research has shown that the social cohesion and economic vitality of cities vary across countries in relation to national welfare institutions and policy legacies (Madanipour, Cars, and Allen, 1998; Lehto, 2000). For much of the postwar period in Canada, cities have benefited from a federal-provincial package of relatively comprehensive social programs, infrastructure investments, and metropolitan governance frameworks. The result has been cities that are frequently recognized internationally for their livability, and local services of a quite high standard, uniformly available across the spatial reach of the community (Graham and Phillips, with Maslove, 1998: 251).

Recently, however, upper level governments have implemented numerous policy changes to manage their own fiscal pressures, leaving municipalities in difficult circumstances (Slack, 2000; Commission nationale sur les finances et la fiscalité locales, 1999). Variously termed "local service realignment," "subsidiarity," or "disentanglement," these changes, more often than not, have resulted in federal or provincial *offloading* as responsibilities flow downward to the local level without matching revenue or authority (Lidstone, 2001). Depending on the province, new municipal responsibilities include municipal transit, child welfare, social housing, and airport and harbour management. Cities have little choice but to continue to try to provide needed services with their own limited fiscal tools, which were designed for an earlier era and are appropriate for a much narrower set of demands than presently exists in Canadian cities.

Fiscal Pressures and Infrastructure Investment

Municipal governments in Canada are facing intense fiscal pressures as their costs increase and their revenue streams remain stable or dwindle. Rapid growth in cities has accelerated the need for new investments in urban infrastructure – from waste treatment to transportation and affordable housing. While the breadth and intensity of the pressures vary among cities across the country, the overall pattern dating back to the late 1980s is clear. As federal and provincial governments have successfully managed their own deficit problems, municipal governments increasingly struggle with reduced transfer payments and limited flexibility in generating "own source" revenue, needed to manage growing program responsibilities and demands for local services from citizens and businesses alike.

The Federation of Canadian Municipalities (2002: 4) has charted various dimensions of urban Canada's "fiscal unsustainability." In the past five years, federal and provincial revenues increased 33.2 and 26.1 percent respectively, while local government revenues rose only 7.7 percent. Federal and provincial transfer payments and grants to Canadian cities now contribute only 18.7 percent of total municipal revenue, significantly below the upper-level transfer to city revenues of 27 percent in the United States and 31 percent in European Union countries (Federation of Canadian Municipalities, 2001a). Property taxes, viewed by most observers as an inelastic and regressive revenue source, constitute 49.5 percent of all municipal revenue in Canada, compared with 21 percent in the United States, where cities have access to a greater range of fiscal tools.

This fiscal context has at least two significant negative consequences for maintaining urban place quality. First, it has led to a sizable "municipal infrastructure deficit," as needed capital investments in transit, roads, telecommunications networks, and the like are postponed or delayed, hindering cities in their efforts to meet the competitiveness challenges of globalization. Where the federal government in the United States, for example, recently earmarked over $100 billion for transportation upgrades in cities, the Canadian federal government allocated only $2 billion to support all types of urban infrastructure (Federation of Canadian Municipalities, 2001a). Second, it creates incentives to ecologically harmful sprawl. Squeezed between greater local service demands and property tax backlash, municipalities scramble to increase their revenues through rapid new development. The strategy is flawed, however, as the infrastructure bill for developments further away from existing services turns out to be considerably higher than that of a more compact, high density alternative (Slack, 2002).

1.4   Conclusion – Canadian Cities at the Crossroads

Cities matter more than ever today because they are the places where the great majority of people live, work, and play. How these places function and are governed is vital to national economic prosperity and social cohesion. Jane Jacobs (1984) long ago made the point that innovative and adaptive local economies were the foundations of national economic wealth. Today, Meric Gertler concludes that "all of the great social policy questions of the day – education, health, poverty, housing and immigration – become urban policy questions" (2001: 32).

Yet, many observers now warn of a complacency about the state of cities in Canada, perhaps traceable to the fact that in comparison to the United States, our urban areas historically have performed very well (Miller and Munter, 2001; Berridge, 2000; Coffey and Norrie McCain, 2002). With lower crime rates, less social disparity and spatial segregation, and more vital downtowns, Canadian cities have provided a decent quality of life and welcoming environment for most people to carry on their lives (Bourne, 2000: 38). However, there is concern that Canadian cities may be living off investments made decades ago and that their capacity for renewal is blocked by out-dated governance structures and limited policy imagination. While other countries experiment with new approaches, the danger is that Canada is resting on its laurels.

Choices must now be made about how our urban spaces will be managed, whether investments will be made in the human resources and physical infrastructure of cities, and what new fiscal tools and financing mechanisms will be made available to municipalities. Certainly, there is an important role for local actors to foster the quality of their places, equipped as they are with an intimate appreciation of how environments and people fit together and how networks can mobilize "on the ground" for tangible progress. The opportunity to act simultaneously on economic, social, and environmental challenges may be greatest there, as is the likelihood of strategic coordination among actors and agencies. Yet, cities are hardly the sole cause of the problems increasingly concentrated in their places and they cannot, on their own, be expected to find ways to include all their residents and enterprises in the globalized, new economy. Simply put, city fortunes and the quality of local places remain conditioned by extra-local forces, and all governments at all scales have to think anew about the issues. Multi-level collaboration across political scales needs to replace one-sided "solutions" of either centralization or decentralization.

The first section of this paper has outlined some of the key problems and prospects facing Canadian cities today. A central message is that Canadian policy communities need to scrutinize long held conceptions of policy space in order to develop frameworks attuned to the dynamics of local places in the global age. As Donald Lidstone has summarized, institutional structures and political relationships designed in the 19th century are unlikely to meet the needs of the 21st century (2001: 4-5):

When the *Baldwin Act* was enacted, the principal local government issues were drunkenness and profanity, the running of cattle or poultry in public places, itinerant salesmen, the repair and maintenance of local roads, and the prevention or abatement of charivaries, noises and nuisances. Today municipalities own and operate hospitals, welfare systems, waste treatment plants, airports, public housing, hydroelectric plants, telecommunication systems, forensic laboratories, AIDS hospices, homeless shelters, hot lunch programs for school children, economic development, toxic waste remediation and fiber optic transmission. These duties and responsibilities are evolving in the face of legislation and structures that have not varied from a model anchored to the needs of the mid-1800s.

The paper's remaining three sections elaborate on different aspects of the new challenges and opportunities presently confronting Canada's cities. It begins by providing a historical perspective, tracking different perceptions of "important" policy space and political scales across the 20th century.

Part 2. Historical and Comparative Perspectives – Canadian Cities in Political Space

Canadian cities are at a crossroads. The intertwined pressures of globalization and decentralization threaten to overwhelm the country's capacity to maintain the quality of local places. New ideas and political leadership are required to design strategies geared to an increasingly urbanized economy and society.

Yet, this is not the first time that such fundamental questions have surfaced about cities and their role in national life. In the 1930s, cities were rocked by the Great Depression and local leaders struggled with extraordinary demands from desperate, and often destitute, citizens. In the 1960s, cities once again featured considerable activism and protest, although this time the discontent was driven more by concern about the adverse affects of affluence on city life and urban community. In these turbulent periods, new "social knowledge" about relations between state, market, and citizens emerged to inform significant shifts in national political discourse, with evident consequences for Canada's cities and their governance (Jenson, 2001: 2). The present day represents a similar moment of challenge and choice in the history of Canadian cities.

What lessons can be learned from previous critical junctures? This part of the Discussion Paper takes up this question. At the risk of oversimplifying a complex and variegated urban experience, it tracks the way in which successive national policy discourses about "political space and local place" have come to structure urban development in Canada, and the quality of city life more generally. We argue that the 20th century's two dominant public policy discourses, Keynesianism and neo-liberalism, far apart in matters of policy substance, *shared a focus on the national level as the "important" scale of policy action*.

The result has been a systematic downplaying of the significance of cities as relevant policy spaces. Neither of these two governing paradigms was particularly attuned to either the policy insights flowing from localized knowledge or the organizational synergies made possible by population density. For Keynesians, the preoccupation was *centralized social redistribution* to individuals regardless of where they lived, while, for the neo-liberals, the overriding goal was to restore *national economic competitiveness* in the international marketplace, irrespective of the spatial distribution of wealth.

However, the discussion that follows also shows how the spatial biases embedded in Canada's dominant policy paradigms have triggered political movements demanding that more attention be paid to the qualities of specific places. In the 1960s, activists protested the consequences of Keynesian growth management for city neighourhoods and hinterland regions, just as municipal leaders now contest what they see as the anti-urban legacies of neo-liberal restructuring and retrenchment. Here, a historical perspective brings into focus today's central public policy question. When the quality of local places matters more than ever, might not a resolution to the current impasse require something other than what Warren Magnusson (1983: 20) once termed the "triumph of central authorities," whether that triumph is informed by Keynesian or neo-liberal precepts? Exploring a host of contemporary responses to that question will be the main task of this Discussion Paper's final two parts. We begin now with an historical perspective on the issues.

2.1 The Crisis of Local Space – Cities in the Progressive Era, 1900-1930

The early 20th century was the first period of rapid urban population growth and economic development in Canada (Stelter and Artibise, 1984; Gunton, 1991). Canadian cities became focal points of production and distribution. Some specialized in consumer goods such as clothing, footwear, and food and beverages. Many grew as centres for processing the country's abundant natural resources of minerals, fish, lumber, iron, and oil. Others developed strength in finance and commerce, while large cities such as Montreal and Toronto grew simultaneously on all fronts. Adding to the vitality and complexity of urban life in this period were waves of immigration that greatly expanded the size of many cities, while transforming their social and cultural profiles.

Not surprisingly, as the pace of urbanization and industrialization accelerated, many problems emerged in the city. Inadequate sewer and water facilities contributed to public health epidemics, and the pressures of poverty, overcrowded housing, unsafe and long work undermined family solidarity. The problems not only threatened the physical health of the population, but the efficiency of the economy and social stability of the entire society.

Three key weaknesses were exposed in the urban fabric: (1) the inadequacy of the private market in organizing urban working conditions in cities; (2) the gaps in social services organized by private charities or religious organizations in relation to the needs of poor families or distressed neighbourhoods; and (3) the limitations of the amateurish modes of government that characterized municipal politics (Weaver, 1977; Saint-Pierre, 1994).

With federal and provincial governments not interested in intervening locally or taking on new financial responsibilities in relation to cities, activists in Canadian cities at the turn of the century embraced the municipal reform movement, already well underway in the United States. A broad band of Progressive reformers – public health experts, muckraking editorialists, union organizers, social workers, women's groups, and civic and religious leaders – mobilized to "clean up the city" (Delorme, 1986: 93; Magnusson, 1983). A number of priorities emerged:

- New ideas to plan development and improve social conditions, especially in distressed neighbourhoods often populated by recent immigrants

- New governance models to represent the public interest and professionally administer the city; and

- New capital to finance a modern urban physical infrastructure.

Central to the Progressive project of urban reform was the application of new social knowledge about urban problems. The complexity and pace of change created conditions about which there was little systematic understanding or even factual information. The Progressive reformers were "practical idealists," drawing on the emerging body of social scientific data and methods of inquiry to investigate conditions in the city (Rutherford, 1974: xi). They undertook surveys of public health, assessments of housing, and studies of the location and incidence of social problems, ranging from crime and alcoholism to prostitution and poverty.

Armed with this knowledge, the Progressives positioned themselves to lead reform along four principal tracks. *Physical reform* of the city's infrastructure drew on new technical expertise in engineering and planning to provide reliable sanitation and orderly movement of people in public transit and roadways, as well "city beautification" through land use zoning. *Civic reform* aimed to bring honesty, efficiency and fiscal prudence to local governments by ending patronage and making spending more accountable. In some cities, especially in western Canada, civic reform included experimentation with methods of direct democracy. *Moral regeneration* sought to address poverty, crime, alcoholism, and so forth by changing the habits of poor individuals through some combination of middle class counselling and government political regulation. *Social reform* tackled the same problems from a different angle, emphasizing not individual failings but their material context, including dilapidated housing, low-paying and unsafe work, and inadequate health care. Here women's groups and associations took the lead in pressing for new housing, playgrounds and parks, and creating community-based social services such as settlement houses for immigrants in poor neighbourhoods (Joplin Clark, 1974).

From the 1900s to the 1930s, this new social knowledge and social activism contributed to some policy breakthroughs in Canadian cities (Filion, Bunting, and Gertler, 2000: 6-7; Magnusson, 1983;). Urban activism reached its peak in the immediate aftermath of World War I, when many Canadians looked to rebuild the social infrastructure of the country (Rutherford, 1974). Health and housing regulations were enacted almost everywhere, and planning legislation came into force in most provinces, although the results of these innovations have been judged quite modest in relation to the needs of the urban poor.

Political reforms such as the creation of city-wide Boards of Control and local ownership of public utilities were seen as helping to put an end to clientelism, patronage, and the speculative excesses of municipal boosterism. These political reforms aimed to make city government more efficient, with the result that power shifted from elected officials and voters to technocratic city managers and special purpose agencies.

The most enduring legacy from the Progressive era was administrative professionalization, not social reform or political democratization (Graham and Phillips, with Maslove, 1998: 56-57). In turn, social reformers hoped that the technocratic revamping of administrative practices might enhance local policy capacity to help the poor and improve conditions in inner city neighbourhoods (Magnusson, 1983: 19; Linteau, 1992). Yet, business opposition to the tax increases implied by such interventions was a powerful constraint, and local social assistance remained very meager, delivered mostly by *ad hoc* alliances of charities and religious institutions, and informed by Victorian principles about the flawed character of the poor. Fundamental questions about how to finance needed improvements to the city's physical and social infrastructures remained unanswered (Haddow, 2002; Saint-Pierre, 1994).

By the 1920s, the Progressive spirit of urban reformism was waning in Canada, and the movement lost its focus amidst "the smugness of the 1920s" (Rutherford, 1974: ix). But it was the economic crisis of the 1930s that dramatically exposed the limits of the Progressive response to the stresses and strains of Canadian cities. As unemployment and business bankruptcies skyrocketed, many municipal governments lacked both the money and the expertise needed to provide adequate relief, much less implement coherent social programs. Throughout the Great Depression, municipal officials and local social reformers joined in the call for decisive action by upper level governments in easing the crisis (Graham and Phillips, with Maslove, 1998: 60). By the mid 1940s, the federal government, drawing lessons from the experiences of both the Great Depression and the wartime mobilization, made new commitments to a pan-Canadian welfare state and counter-cyclical economic management.

2.2   Cities in the Shadow of Keynesian Space, 1940-1970

From 1945 to the 1960s, Canada resumed its rapid growth, powered by the "baby boom" and immigration (Filion, Bunting, and Gertler, 2000: 8-12). In these decades, the flow of people and capital into cities also continued, as the economy completed its evolution from an agricultural and natural resource base to a secondary manufacturing and, later, a service orientation. This period was also distinguished for its spread of much residential development and commercial activity to the city's edge in new suburbs. Both of these dynamics – an expanding economy and the expanding suburbs – were supported by the new national policy framework put in place by the federal government after the war.

In implementing this project, the federal government eventually secured the cooperation of all provinces except Quebec, where provincial government opposition to social interventions remained strong in the 1950s, especially when such programs originated in Ottawa (Choko, Collin, and Germain, 1986: 130). In the rest of Canada, an "Ottawa-centered" postwar settlement found expression through a new consensus in the federal political party system around the basic principles of Keynesian economic management and social welfare. Framing these policies was a pan-Canadian vision of social citizenship (Jenson and Phillips, 1996). As has often been observed, the actual practice of Keynesianism in postwar Canada proved rather modest and halting, at least in relation to the pace and breadth of innovations in many European countries (Campbell, 1987; Bradford 1998a).

Nonetheless, from the late 1940s to the early 1970s, much of Canadian politics and policy was shaped by the persistent assertion of national economic and social policy leadership emanating from the federal bureaucracy. Intergovernmental agreements on high employment and income redistribution were generally supported by the business elite, labour representatives, and municipal officials.

As Jane Jenson (2001) has argued, the social knowledge underpinning this postwar settlement contained a number of specific assumptions about the spatial dimensions of public policy. Most fundamental was the emphasis on the national scale as the crucial arena for policy development. The tragedies of the worldwide Great Depression were understood to have been amplified domestically by political fragmentation and constitutional rigidities. The policy shift from the earlier localism of the Progressive era to the national scale was seen as central to the process of political modernization, as well as making full use of the newest economic and social policy knowledge. The formerly fractured economic regions, quarrelsome provinces, and hapless municipalities could be drawn together, and reinvented for policy purposes by robust country-spanning administrative structures and authoritative federal institutions.

The Bank of Canada and an expert Keynesian bureaucracy commanded the economic theories to conceptualize a national economy and the policy instruments to run it in a manner correcting for cyclical downturns or inflationary pressures. Concepts such as the national income, gross national product, and other statistical categories confirmed the notion that the national state bounded a meaningful economic space (Jenson, 1996: 16-17). Federal management of unemployment insurance would help forge a single national labour market. Social programs were designed to enshrine a national policy commitment to the collective well-being of all Canadians and a common citizenship for all individuals, irrespective of place of residence – urban, rural, or suburban.

Thus, at mid-century "it seemed proper to talk of a national urban system, in which cities were merely nodes of development" (Magnusson, 1983: 21). The integrity of the system and its balance rested on the federal government's leadership through its spending power in economic management, social redistribution, and investments in nation-building transportation and communications. Buttressing federal management of the system were significant provincial contributions in financing and regulating education, health, and welfare services in urban areas. The great urban problems of the earlier era were effectively redefined as subsets of national ones, and therefore amenable to solutions designed centrally.

Municipal finances were stabilized but local government was marginalized as a political space and, for public policy purposes, the unique qualities of places fell out of view. Further, the Keynesian regime was underpinned by a booming national economy, powered by large integrated mass production "Fordist" plants that were increasingly decentralized to greenfields in suburban regions. Policy interventions targeted to the problems and prospects of cities seemed old-fashioned, even irrelevant. "Differences among cities and distinctiveness of local culture," Graham and colleagues concluded, "were diluted due to the upper hand of senior governments and look-alike suburbanization" (Graham and Phillips, with Maslove, 1998: 29).

In the Keynesian heyday, local officials concentrated their attention on property development for industry and housing. There was certainly was much to do. Countrysides surrounding traditional cities required zoning, and roads, sewers, recreational facilities, and parks had to be planned and built. All across Canada in these years, cities hired professionally trained planners to manage growth and land use, as people and jobs decentralized from city centers (Gunton, 1991: 99). The local counterpart to the Keynesian national political settlement were public-private interest configurations, aptly termed "growth coalitions," dedicated to facilitating and promoting rapid private investment for property development (Molotch, 1976). Developers wanted land and infrastructure, while municipalities wanted tax revenues and jobs (Magnusson and Sancton, 1983).

In this enterprise, local growth coalitions were supported by provincial governments, which were enhancing their own economic development, spatial planning, and social programming capacities. The provinces asserted strong control and supervision over municipal planning, and their financial contributions were critical to the infrastructure of suburban growth from expressways to schools (Delorme, 1986). They began to combine the older cities and the newer outlying suburbs in encompassing metropolitan forms of governance typically comprised of directly elected regional and municipal tiers. Such structures, with Metropolitan Toronto leading the way in 1953, were justified on a number of grounds – providing coherent and streamlined planning for private investors; ensuring efficient administrative conduits for federal and provincial social programs; and enabling equitable distribution of local public services and business supports across the geographic expanse of the urban region.

In sum, cities in the heyday of the Keynesian era were not conceptualized by policy makers as meaningful local places with advantages rooted in concentrated populations and economic density. The nation-building strategy consciously rejected the close attention to neighbourhood cultures or community effects that had informed reformist strains within the earlier Progressive era localism. Of course, there were dissenting voices, most prominently that of Jane Jacobs (1961), whose early critique of urban renewal and high speed expressways amounted to a brilliant defense of the inherent vitality of central city neighbourhoods. For the most part, however, the policy action, whether economic or political, resided elsewhere.

As Warren Magnusson summarized (1994: 347):

> The trouble with this modernizing vision is that it squeezed local politics between the state and the market. Local councils were to be administrative agencies in a planning system that reserved the most important decisions for higher authorities. The system itself was designed to respect and protect the market. … Local authorities thus found their freedom of action was severely constrained by the autonomous logic of the market on the one hand and the requirements of government policy on the other. Really serious differences could hardly be expressed in local politics because the range of choice for local authorities was so narrow.

Caroline Andrew has recently referred to Canada's "shame" in "ignoring the cities" but during the Keynesian heyday, at least, that disregard took the form of *benign neglect* (2001: 100). Despite the lack of direct attention paid to cities and local places, the national welfare regime and provincial metropolitan frameworks did have positive effects on Canadian urban life. The consequences of Keynesian policies *enacted for other reasons* did much to mitigate the misery of urban poverty and inadequate infrastructure that had defined much of the inter-war period. Anne-Marie Séguin and Annick Germain's assessment of the "localized effects of national policies" in Montreal is representative (2000: 51):

> First, Montreal's social sustainability owes a great deal to both federal and provincial aspatial policies, that have provided for a decent level of redistribution of social wealth within both the province and the country. This redistribution process has taken different forms: financial assistance to the poor; the financing of health and education services, and various infrastructure investments necessary for the maintenance or improvement of older urban residential areas.

However, by the 1960s, the spatial assumptions embedded in the Keynesian framework were called into question. The questioning has continued to the present day, proceeding in two different phases with sharply divergent critiques. First, in the 1960s, the negative spatial consequences of national economic policy were challenged by both regional voices in the provinces and neighbourhood activists in the cities. For these movements, the call was for more place sensitive and targeted policy interventions to address the specific needs of outlying regions and inner city communities. Second, in the 1980s, the neo-liberal national project rejected both the nationalist aspatial discourse of Keynesianism and the localist place-based discourse of the regional and neighbourhood movements. The remaining two parts of this section chart these different post-Keynesian projects and their relationship to city politics and policy.

2.3   Contesting Keynesian Space – Regions and Neighbourhoods, 1960-1980

The first round of criticisms of the federal government's Keynesianism arose in relation to a series of specific problems. The persistence of unemployment in hinterland communities, and inter-provincial regional disparities, revealed limitations in macroeconomic policy and suggested the need for more targeted strategies.

In the larger cities, there still remained pockets of poverty and shoddy housing, underscoring the fact that opportunities for homeownership and suburban relocation were far from available to all. Indeed, within cities, there was growing apprehension about the impact on older neighbourhoods and lower-income residents of decentralized development.

To some extent, these two lines of attack intersected in the 1960s. The unifying theme was a generalized impatience with closed and top-down form of bureaucratic decision-making that characterized the public policy process, whether at the federal level with Keynesian programs or more locally with metropolitan land use planning and property servicing.

The results of this initial Keynesian questioning were seen in the formulation of a place sensitive policy discourse that came to exercise some influence on governments at all levels in the 1960s and 1970s. In Canada, the first sub-national "place" that drew policy attention was the rural region (Bickerton, 1990). The rapid postwar urban and suburban growth had come in part at the expense of small towns and rural communities. Economic change saw production and assembly facilities boom in metropolitan areas, while the traditional "staple" industries of fishing, mining, farming, and forestry stagnated or declined. Many communities, especially in the Maritimes, the Prairies and the North, were falling behind, showing many signs of arrested development – unemployment, low incomes, illiteracy, poor housing, outmoded infrastructure, inefficient technology, and depleted resources (Hodge and Robinson, 2001: 163).

These concerns were given greater depth and policy focus by new social knowledge crystallizing in the late 1950s, in the context of the first downturn of the postwar period. This knowledge identified gaps in Keynesian national economic management and proposed regional strategies that could compensate or correct for them. The Royal Commission on Canada's Economic Prospects became one important venue for setting out the ideas (Bradford, 1998a: 60-66). Commission research suggested how the Keynesian recipe for stabilizing aggregate demand and employment could leave regional imbalances in investment and production unaddressed, even as the overall economy performed well. Attention would have to be given to the supply side of the economy, where more structural policy interventions could steer capital investment to specific places or upgrade the skills of local labour forces. National policy would focus not simply on aggregate growth rates but also on their spatial distribution. The point was to provide a better spread of economic opportunity from prosperous to lagging regions (Haddow, 2002: 249).

This policy reorientation was also reinforced by theoretical breakthroughs occurring within universities in the field of "regional science." New concepts like "growth poles" offered insights into how economic regions functioned as well as practical techniques for the design and implementation of strategies for "designated areas" (Hodge and Robinson, 2001: 163). For more than two decades, successive federal governments representing both of Canada's governing parties endorsed this regional discourse and experimented with numerous institutions and policies to tackle disparities in income, employment, and education across the country. A significant innovation within the regional approach occurred in the 1970s, when the focus expanded to include stimulating growth in certain urban places (for example, Montreal), which were bearing the burdens of industrial restructuring and plant greenfield relocations.

Indeed, by the mid-1960s, urban issues were gaining greater visibility, and not simply as add-ons to federal regional programming. Following two decades of near continuous growth, the adverse effects of the urban postwar boom were becoming more apparent. Urban renewal was the trigger for new mobilizations. Most consequential in the United States, but certainly not without its impact in Canada, urban renewal featured government support for slum clearance, expressway construction, and redevelopment in inner cities (Graham and Phillips, with Maslove, 1998: 52, 134; Hamel, 2001). The basic goal was to revive or sustain downtown central business districts, with the common methods being investment incentives for private construction of inner city office and retail complexes, complemented by public financing of high speed expressways for commuting.

Evidence was soon visible of problems with this approach – the destruction of historic neighbourhoods and the fragmentation of community supports or informal networks relied on by many lower income residents; the failure to deliver appropriate re-housing for displaced residents; the financial costs arising from expressway construction, and the fact that land was often sold at bargain prices by local officials anxious for development; and the loss of inner city green space, which accelerated the middle class migration to the suburbs, narrowing the revenue base for inner city services (Lorimer, 1978; O'Connor, 1999). As one critic, Barton Reid, put it (1991: 65):

> From the 1960s into the 1970s, development corporations increased their dominance over the suburbs through massive land assemblies, became national in scale, and established ways of controlling city governments. As well, they began to focus on the inner city. In the inner cities, they created their developer image by blockbusting, bulldozing, and building monster high rises.

Local politics thus regained a vitality reminiscent of the "bottom-up" mobilizations that characterized the Progressive period. In the 1960s, reformers emerged in many Canadian cities to contest the social, economic, and environmental costs of urban renewal and its corollary of sprawling development. The unifying theme was simple – cities were places to live as much as they were places to make money (Andrew, forthcoming). Local government needed to consider the quality of life in places and not simply the quantity of capital formation.

In effect, both the policy substance and political process of the postwar urban growth machine were challenged. On the policy side, the agenda was judged too narrow in its preoccupation with supplying the physical infrastructure and services for rapid property development. As for the planning process, the call was for citizen participation to represent neighbourhoods and give voice to social, aesthetic, and environmental concerns not listed among the renewal and development priorities of the growth machines. Galvanizing events for these movements often came through victories in stopping expressway construction (in Toronto and Calgary, for example) and halting the destruction of communities such as Africville in Halifax and Chinatown-Strathcona in Vancouver. Such battles led reformers to find common ground between anti-poverty concerns about displaced lower-income residents with more middle class campaigns to protect the cultural vitality and historic beauty of traditional city neighbourhoods and streets.

As was the case with the regional critique, the city activists developed their own revisionist view of the Keynesian framework, focusing this time on its anti-urban bias. Federal housing policy that favoured private mortgage insurance for new single detached homes in lieu of affordable public housing was questioned. Provincial transportation policies were rejected for sparking both the suburban exodus and, later, inner city gentrification. Both federal and provincial policies were a boon for developers but left many lower-income urban dwellers unable to access decent housing, and reduced public or civic spaces in inner cities.

Complementing this critique of the effects of macro-level policy for cities was a new emphasis on grass-roots community organizing. In opposition to what was perceived as the narrow and technocratic mode of city planning that had been co-opted by business and property interests, the activists reached back to certain pre-Keynesian principles, claiming that politics ought to be rooted in neighbourhoods, driven by the participation of citizens themselves in defining local needs. Concepts of community action and capacity building aimed to give the poor the information and tools to participate in bureaucratic planning and to run their own programs based on "street level" knowledge of localized needs.

In the United States, these ideas went the furthest under the rubric of the Johnson Administration's War on Poverty. It introduced principles such as "maximum feasible participation" for citizens and community organizations in new federal urban programs that focused more on empowering poor residents and less on bulldozing and block-busting. In Canada, the urban activism and confrontations of the 1960s also led to changes in the way cities went about their business. By the 1970s, "reform councils" in many cities opened the planning process to citizen participation and to new concepts such as balanced growth, livable regions, green cities, and historic preservation.

At the provincial and federal levels, there were also new responses. In 1969, a federal Task Force on Housing and Urban Development proclaimed that "the present system for assembly and servicing land in much of urban Canada is irrational in concept and inefficient in practice" (Gunton, 1991: 100). The report questioned established urban renewal practices and their consequences for lower-income residents. In 1971, the federal Ministry of State for Urban Affairs was created, with a mandate to develop a knowledge base for bringing an urban perspective and spatial orientation to all federal policies. In housing policy, in 1973, the federal government recognized a "fundamental right of Canadians, regardless of their economic circumstances, to enjoy adequate shelter at reasonable cost" (Fallis, 1994: 358-59). Federal and provincial measures were expanded for rental housing assistance and non-profit cooperatives, and support was made available for the rehabilitation of existing substandard housing rather than for demolition or slum clearance. The federal government proclaimed its intent to develop a "comprehensive policy to shape the development of inner-city neighbourhoods" (Fallis, 1994: 383).

In sum, both of the 1960s place-based movements, whether focused on regions or neighbourhoods, were premised on trying to save and restore declining communities. They took local places seriously, scrutinized national policies for their spatial biases, and mobilized to remove them. They mounted an ambitious response to the problems of poverty, structural unemployment, and declining built environments in specific places.

Their goal was to move jobs and opportunity to the people, in the places where they lived, rather than relocating them, or to save older neighbourhoods, rather than bulldozing or gentrifying them. These movements were skeptical about the dominance of the private sector in economic development, and questioned the government's role in subsidizing such growth through Keynesian economic management and property development. For a brief moment in the late 1960s and early 1970s, these movements achieved some policy breakthroughs.

However, these place-based reformers and their projects were soon overtaken by the rise of postwar Canada's second major national policy framework. Neo-liberal premises and practices replaced the Keynesian framework in the 1980s and 1990s, and once again local places were relegated to the margins of the dominant policy discourse.

2.4   Cities in the Shadow of Neo-Liberal Space, 1980-2000

In the 1970s, the national economic downturn and the emergence of anti-Keynesian political leaders changed the debate from one of excessive growth problems, or managing more equitably the benefits of growth, to restoring national economic competitiveness in a less forgiving international environment. The signs of problems were readily apparent.

Simultaneously rising unemployment and inflation expressed the Keynesian policy impasse. Mounting government budgetary pressures led to a reorientation away from social expenditures toward restraint. Finally, metropolitan economies sagged as industrial restructuring saw numerous manufacturing and routine assembly plants close or move overseas. Of course, the impacts varied in their timing and depth across cities. In the late 1970s, central Canadian centres struggled while western cities such as Edmonton and Calgary enjoyed the fruits of skyrocketing commodity prices. The recession of the early 1980s ended the oil boom and, in the mid-1980s, the largest metropolitan areas, Toronto and Vancouver, experienced a rapid but short-lived recovery. By the early 1990s, however, the economy plummeted everywhere, as Canada entered into its worst downturn since the Great Depression (Bourne, 2000: 32-34).

In this turbulent economic context, Canadian politics witnessed an intellectual reassessment and eventual rejection of the place-based policy discourses that made inroads in the 1960s and 1970s. In some measure, the debate was sparked by a concern to understand the limited success of these measures, particularly regional programs, in terms of bringing jobs and prosperity to areas not benefiting initially from the Keynesian national growth formula. The Economic Council of Canada (1977) was a persistent skeptic of the merits of such targeted, place-based interventions. At the same time, the regional disparities and urban reform discourses were challenged on a broader conceptual or ideological plane by the neo-liberal view of proper relations between state and market.

From this perspective, government spending was seen as crowding out private investment, discouraging entrepreneurship, and distorting the market's price signals that allocated capital to its most efficient uses. For the neo-liberals, the result was doubly sub-optimal – reduced national growth and employment, and localized areas of lagging development deprived of the necessary disciplines to create or attract new investment opportunities.

Hinterland regions and inner cities, the argument ran, were drawn into dependent and disempowering relationships with the state that foreclosed options for disadvantaged residents. Neo-liberals sought to limit the state to those functions that enabled markets to work, or at least were market-reinforcing in their effects on individuals, firms, and places. Capital mobility and labour market flexibility were to replace government steering of investment into specific places.

In this new agenda, the tone was clearly set outside Canada. Administrations in Britain and the United States became trailblazers in the neo-liberal approach to spatial disparities and their urban manifestation. For its part, the Reagan Republicans in 1980, forging new electoral coalitions in the suburbs and edge cities, ended a long standing federal spending role in urban policy, especially in the kinds of targeted community-building programs that were an essential component of the War on Poverty. The Reagan team set the tone, as elaborated by a senior appointee in the Department of Housing and Urban Development (Savas, 1983: 447):

> First, improving the national economy is the single most important program the Federal government can take to help urban America; because our economy is predominantly an urban one, what's good for the nation's economy is good for the economies of our cities, although not all cities will benefit equally, and some may not benefit at all. The path to long-lasting recovery is slow but certain: reduced federal taxes, reduced federal budgets, deregulation, and monetary discipline.

Given the neo-liberal precepts informing its macro approach to economic competitiveness, the administration drastically reduced its grants to cities (Weir, 1999). Rather than funding services for the poor in distressed neighbourhoods, the American government relied on macro-level economic "framework policies" for competitiveness, while exhorting voluntarism and local campaigns to leverage private sector financing for highly visible "bricks and mortar" redevelopment in central business districts or waterfront areas (Levine, 2000). So-called "flagship" or "renaissance" projects typically were convention centres, stadiums, hotels, and other tourist attractions that would revamp the image of run-down areas. This strategy was supported by the policy of the "enterprise zone," whereby the federal government attempted to assist local officials in luring businesses by offering tax relief and exemptions from environmental and social regulations to firms making commercial investments in blighted or derelict areas (Clarke and Gaile, 1998: 47).

A similar reorientation occurred in Britain in the 1980s (Jessop, Peck, and Tickell, 1999). Indeed, the Thatcher Conservative government went further in seeking to institutionalize local private sector leadership for cities (Jones, 1999). It introduced urban development corporations and training councils and invited local business elites to run them, effectively bypassing local authorities (that is, municipal councils) in development strategies. More ambitiously, in the 1980s, the Thatcher government also launched a bold rationalization of local government, where much of the political resistance to the neo-liberal order was galvanizing (Magnusson, 1996). The Conservatives eliminated a tier of elected officials, privatized the delivery of many local services, and imposed strict financial restraints on local authorities.

As two observers have recently summarized (Tiesdell and Allmendinger, 2001: 907):

> The Thatcher government did not have a comprehensive strategy for neighbourhood regeneration and, indeed, could be characterised by a lack of interest in – or commitment to – the problems of particular neighbourhoods. In essence, there was a presumption that 'a rising tide would float all boats' and improvements in the macroeconomy would provide benefits that would inevitably trickle down.

While the Reagan and Thatcher governments were the leaders in this neo-liberal policy transformation, there were parallel developments in Canadian spatial discourse and approaches to cities. In the late 1970s, the federal government was retreating from its postwar social expenditure commitments in housing and rental assistance, and from its forays into place-based policy interventions. In 1979, the Ministry of State for Urban Affairs was eliminated, after failing to develop an urban policy frame for federal programs (Andrew, 1994). By the 1980s, Andrew Sancton judged that the federal government as an "urban policy-maker [was] virtually impotent" (1983: 312). Federal spending on urban physical infrastructure declined, and new areas of interest such as the environment and "healthy communities" never gained traction due to inadequate funding. In the key constitutional debates that dominated much of Canadian politics in the 1980s and early 1990s, municipal calls for recognition were "ignored or, worse, treated as amusing" (Andrew, 1994: 450).

In the 1990s, the federal government's unprecedented focus on ending its deficits and reducing debt translated into significant cuts in spending and activity in urban areas, ranging from social housing to immigration services and transportation. Federal measures addressing regional spatial disparities were also sharply reduced – directly, through budget cuts to development agencies, and indirectly, through employment insurance reforms that limited benefits for seasonal workers spatially concentrated in hinterland areas (Haddow, 2002). The preference for a market driven allocation of resources was given further expression in the federal government's embrace of continental free trade, which imposed legal limits on the capacity of governments to steer investments to particular places, whether urban or rural.

Policies conforming to the economic and political logic of neo-liberalism have also been enacted at the provincial level. The general trend has been a transfer of greater responsibility for social service and urban infrastructure provision to municipalities, without providing the money or tools to deliver services to the postwar standard (Graham and Phillips, with Maslove, 1998: 241; Lidstone, 2001). David Siegel observes that that, in Ontario, these shifts are "causing local governments a great deal of stress as they restructure themselves to deal with the major reduction in funding and the major increase in responsibilities" (2002: 51).

Moreover, provincial governments have also legislated the major restructuring of municipal governance arrangements. As we shall see later in this paper, the shift has been away from the classic postwar model of two-tier metropolitan government toward either single-tier amalgamated "mega-cities" or more informal inter-municipal associative networks. Regardless of the precise form, the provincial discourse accompanying these changes in provinces such as Ontario and Alberta emphasized neo-liberal themes of limited government and lower tax rates more than they did improved services to communities, enhanced democracy, or greater equity across metropolitan spaces (Andrew, forthcoming; Gertler, 2000).

At the local level, the neo-liberal approach has led to a "retooling" of the growth machines that had been reined in or at least made more accountable by the citizen activism of the 1960s. In the 1980s, urban development was frequently anchored by the same kind of large-scale flagship projects reshaping American and British cities. In Canadian cities, these were the products of *ad hoc* public-private deal making, rather than systematic planning or community consultation (Magnusson, 1996: 138). The instrument of the "urban development corporation" was deployed to mobilize private capital and broker financial partnerships (Leo and Fenton, 1990). Local civic boosters, and federal and provincial officials, were eager to claim political credit for high profile downtown and waterfront projects such as Toronto's Harbourfront, Vancouver's Expo 86 and Granville Island or Winnipeg's Core Area Initiative. For its supporters, this approach had three principal benefits: (1) relieving the state of expenditure responsibilities in a period of growing public debt; (2) creating a new cycle of private investment in parts of cities that were in decay; and (3) generating high profile developments that were of some symbolic importance to the community, but were instrumental in external investment campaigns in a more competitive environment.

Critics, however, challenged the new growth coalitions for their "bricks and mortar" approach to inner city needs, disregard of social dimensions, and "trickle-down" benefits for lower-income residents (Gerecke and Reid, 1991: 138). Concern was expressed that the emphasis on entrepreneurial cities and competition for external investment could lead to greater inter-regional differences as all cities, and often those in greatest need, would not be able to attract private sector partners. For many, the flagship approach and urban development corporation came to represent "the triumph of neo-conservatism" over both the Keynesian welfare state and the place-based urban strategies of the 1960s (Magnusson, 1994: 553).

It is now evident, as we will see shortly, that American and British policy makers – the leaders in neo-liberalism – are testing policy approaches to cities that move beyond the confines of the neo-liberal emphasis on government retrenchment, unfettered markets, capital mobility, and bricks and mortar flagship investments. What is striking in relation to these developments is the comparative lack of innovation, or even much experimentation, in urban-focused economic and social policy in Canada. As we will discuss in the final part of this Discussion Paper, the federal government has recently launched initiatives in some aspects of urban infrastructure, most notably affordable housing and the environment, but concern remains about the absence of a national urban strategy in Canada (Prime Minister's Caucus Task Force on Urban Issues, 2002).

Joe Berridge has pointed to decades of limited investments by Canadian federal and provincial governments in contrast to the many projects financed by senior governments in the United States and Britain. One explanation for these cross-national differences may reside in the absence of any single crisis or flashpoint in Canadian cities comparable to those that galvanized commitment in both the United States and Britain. Berridge notes that Canadian cities are "still well served by a legacy of good public investment in the 1960s and 1970s" (2000: 17). However, as Mario Polèse recently warned in the *Globe and Mail*, there are "clouds on the horizon, which should cause us to reflect" (Polèse, 2002).

2.5   Conclusion – Five Lessons from History

This historical overview of "local places in Canadian space" has illustrated how cities have existed in the national policy shadows and on the political margins. Table 1 encapsulates the major dynamics across the four key periods.

The overall pattern of 'ignoring the cities' has been punctuated by two periods of intense localism – in the early twentieth century by Progressive reformers and in the 1960s by regional and urban movements. In each episode, the call was for more sustained and fine-grained attention to the problems and functioning of particular places, specifically, inner city neighbourhoods and hinterland regions.

In both cases, the outcome was the same – an effective takeover of local initiative by upper level state policy projects that concentrated policy attention on national spaces rather than local places. Of course, the specific dynamics of the takeovers and their consequences for cities differed across the two periods. In the first instance, there was general agreement that the Keynesian welfare state enabled most cities to enjoy solid economic growth and reasonable levels of social equality. Indeed, local officials themselves called for this centralization against the backdrop of the Great Depression. However, if the Keynesian approach to ignoring the cities was one of benign neglect, then many view the subsequent neo-liberal approach as representing something more troublesome. Is a neo-liberal disengagement from cities and their prospects and problems a viable national policy strategy? Governments in the United States and the United Kingdom now appear to think otherwise and have responded with more proactive, integrated, and targeted interventions.

The Los Angeles riots of 1992 crystallized public concern about the state of American cities, while, in Britain, urban violence in 1981 and 2001 provided similarly sharp moments of problem recognition. Against this backdrop, both countries have experimented with new urban policy strategies (O'Connor, 1999; Roberts and Sykes, 2000).

In the United States, the Clinton Administration introduced a program of Community Empowerment Zones and Enterprise Communities, the main thrust of which was linkage among the human, economic, and physical components of urban redevelopment. Learning from both the 1960s community action and 1980s enterprise zone experiences, this "hybrid policy approach" mandated representative community boards for economic development planning and made zone investment incentives available only to businesses hiring or training local residents (O'Conner, 1999: 116). Similarly, Community Development Block Grants were applied to urban improvement projects specifically benefiting low- and moderate-income neighbourhoods, communities, and families. While President Clinton and Congress were both criticized in the mid-1990s for underfunding these initiatives in the context of larger deficit cutting priorities, their implementation did "recognize the multiple disadvantages in distressed areas that must be addressed as preconditions of economic development" (Clarke and Gaile, 1998: 51). In addition, in 1999, the federal government passed the *Transportation Equity Act for the 21st Century*, a six-year, $100 billion urban transportation program that created an array of infrastructure financing options for American cities.

Table 1. Canadian Cities in Political Space – Historical and Comparative Perspectives

	1900-1930 Progressivism	1940-1970 Keynesianism	1960-1980 Neighbourhoods and Regions	1980-2000 Neo-Liberalism
Scale of Action	• Local • Municipal	• National • Provincial	• Local • Neighbourhood	• National • Global
Key Policy Goals	• Efficient city and business expansion	• National income redistribution and property servicing	• Neighbourhood preservation and environmental conservation	• National economic competitiveness and government cost-cutting
Urban Economy	• City center industry and manufacturing • Railway and waterway transport	• Relocation of assembly-line manufacturing to city's edge • Head office development in city center • Highway and air transport	• De-industrialization of city centers • Back office development in suburbs • Decline of hinterland "staples" communities	• Service economy growth • Emphasis on central business district "flagship retail and tourism projects" and new technology clusters
Urban Form	• Factory-gate neighbourhoods • High density housing and mixed-use development in city center • Walkways and streetcars	• Metropolitan suburbanization • Low density housing and "greenfield" business parks • Automobiles and expressways	• Advocating compact urban design, neighbourhood preservation, and environmental conservation • Advocating an end to expressways and reinvestment in public transit, walkways and streetscapes	• Sprawling development • Growth of outer suburbs and "edge cities" • Deteriorating central business districts and neighbourhood gentrification in many cities
Governance System	• Professional expertise in infrastructure provision • Municipal "boosterism" for business attraction • Local charities and voluntary organizations for social services	• Federal bureaucratic economic management • Centralized social services • Urban "growth machines" dominate the metropolitan (two tiers)	• Citizen activism and participatory land use planning • Neighbourhood challenges to urban and suburban developers and to federal-provincial urban renewal	• Partnerships with business • Administrative decentralization and fiscal offloading • Amalgamated municipalities
Stress Points and Vulnerabilities	• Fiscal crises and social service gaps	• Aspatial "one size fits all" national policies • Inner city decline and suburban sprawl	• Development industry opposition to "neighbourhood agenda" • Global economic downturn and mounting government deficits	• Social polarization and deteriorating urban infrastructure • Ecological consequences of urban sprawl

In the United Kingdom, similar experimentation with more integrated approaches has also been evident. Urban analysts have spoken about a sea change in British thinking. "Gone are the quick fix schemes of the early 1980s. In the place of opportunism and an obsession with getting things done, there is a model of integrated development based on a comprehensive, multi-agency approach" (Carter, 2000: 37). Since 1997, the New Labour government has introduced programs that attempt to address urban problems simultaneously at different local scales, from the neighbourhood level through a New Deal for Communities to the region-wide through Regional Development Agencies. National level coordination first came through a Cabinet level Social Exclusion Unit created to integrate policies and programs across departments. In 2001, a Neighbourhood Renewal Unit was established to "intervene where national policies or local implementation was failing, and to adopt and refine national strategy in light of experience" (Tiesdell and Allmendinger, 2001: 916).

As one observer explains, the "development of local structures which are rooted in their area and which can capture mainstream policy to the advantage of their area could be a very important legacy of some of these programmes" (Hutchinson, 2000: 183). Emphasis shifted from a national funding regime based on inter-urban competition to one inviting "pathfinder" communities to lead change and share their learnings with others (Tiesdell and Allmendinger, 2001: 914). Reinforcing these national initiatives are the substantial resources of the European Union's Regional Development Fund, available to national governments on a cost-shared basis for numerous urban regeneration projects targeted at economic innovation, social cohesion, and environmental sustainability (Gaffikin and Morrissey, 1999; Drewe, 2000).

Local governments everywhere today are grappling with economic, social, and cultural challenges well "outside the traditional municipal box" of property servicing. At previous critical junctures, the realignment of resources in Canada was upward and centralizing. While it remains to be seen how the present conjuncture will evolve, there are five lessons to be drawn from the past that ought to inform contemporary debates. These lessons will be explored in some detail in the remaining two sections of this paper. For now they can be listed as follows:

1. There is the need to redress the *resource-responsibility imbalance* between local and upper level governments, and relatedly, to better align federal, provincial, and municipal economic, environmental, and social policies with the physical design and community planning of cities.

2. There is the need to invent more *inclusive planning processes* at the local level than those which characterized either the Keynesian or neo-liberal eras.

3. There is a need to recognize the economic and functional ties that *link the fates of central cities and inner and outer suburbs*.

4. Building on the previous point, the urban planning and policy planning process needs to address metropolitan development widely through a *city-region spatial focus*.

5. There is need to *include the environment*, a priority that was put on the agenda by the urban movements of the 1960s but received only sporadic policy attention across both the Keynesian and neo-liberal eras.

Each of these lessons now informs contemporary debates about urban futures. The next section of the paper examines their expression in four locally driven frameworks that now seek to give new direction and purpose to cities.

Part 3. Bringing Place Back In – Analyzing the New Localism

As in previous critical junctures in the history of Canadian cities, the current period of uncertainty and questioning has spawned considerable creativity in social knowledge and collective action. We can identify four principal frameworks presently shaping debates about urban futures:

- An economic cluster framework

- A social inclusion framework

- A community economic development framework, and

- An environmental sustainability framework.

These frameworks exhibit some commonalties. All respond to the gaps and instabilities of the postwar period's two major national policy paradigms, Keynesianism and neo-liberalism. All four of the current frameworks take more seriously than either policy regime the significance of quality local places in generating prosperity and well-being for citizens and nations. All confront the pressures and flows of globalization, which are making cities more significant economic and social spaces. All of these frameworks are attuned to what Meric Gertler has described as the "social character of cities" (2001: 3). In their own way, each seeks a balance between market dynamism and community stability expressed in "stable family life, neighbourhoods, and schools, but also the business networks and social capital which facilitate social learning and innovation" (Gertler, 2001: 32).

This section analyzes these four frameworks. It reveals that, within the common frame of reference emphasizing the *place-based social dimensions of sustainable and innovative urban life*, they differ in important ways. In fact, there are separate conversations going on about how local place matters in the global age, and what the priorities ought to be for institutional reform and policy change. This section maps the contours of various conversations and projects, recognizing that a major political challenge will be to bring these visions and their respective "advocacy networks" into some kind of workable mix in the cities of the future. Some ideas about making progress on this challenge via evidence-based research are brought forward in the final section of the paper.

3.1 Economic Clusters and the Learning City-Region

The first framework envisions city-regions prospering by becoming home to dynamic economic clusters. Clusters are spatially concentrated, smaller-scale firms cooperating with one another and with public sector institutions in certain aspects of knowledge-intensive production to achieve global competitiveness.

As Toronto's cluster strategy document puts it, "the cluster approach to economic development reflects in some ways a more traditional focus on the *export base* of a region. An expanding export base – or competitive clusters – is the key to the economic prosperity of the City, because exports bring money into the region to be circulated among local-serving enterprises and their employees" (ICF Consulting, 2000: 7).

What are the dynamics of cluster formation? The focus is on the competitive dynamics of the new economy, where the success of firms depends less on the physical attributes of location such as the distance from markets, harbours or raw materials, and more on quality and innovation (Holbrook and Wolfe, 2000; 2002). Bringing new and improved goods and services to the global marketplace requires the application of knowledge in all stages of the production process, from engineering to design and marketing. In this competitive context, costs obviously remain important for firms, but there is a re-weighting away from rudimentary considerations of material inputs or tax rates toward accessing the specialized inputs and highly qualified personnel that enhance innovative capabilities.

Cluster analysts argue that innovation in the knowledge-intensive economy is a social or collaborative process built through interactive knowledge networks that break down functional divides between science, research, engineering, business, and so forth (Gertler and Wolfe, 2001). In clusters, innovations flow through iterative rather than sequential learning that brings together, often on a project basis, teams of diverse knowledge holders. It follows that firms will pay more for land or labour to operate in localities that offer the right milieu for minimizing transaction costs and maximizing opportunities for collaborative learning. Extra-local relations, electronic networks, and virtual communications may help, but the essence of the process is intensive and repeated face-to-face interaction through which *tacit knowledge* – informal insights, know-how and experiential learning – is generated and shared. These insights, as economic geographers have discovered, are crucial sources of "untraded" competitive advantage for firms clustered in particular places (Storper, 1997). However, tacit knowledge is not equally available in all communities, and globally oriented companies seek out those places rich in interaction and social learning (Saxenian, 1994).

What are the distinguishing features of those locales that are growing economic clusters? It seems there are three key features in the "innovative milieu" (Holbrook and Wolfe, 2002; Lee, *et al.*, 2000). First, the formal knowledge infrastructure of science and technology resources is important, comprised of universities, community colleges, research laboratories, technology transfer organizations, and state-of-the-art telecommunications networks. Another critical component of this infrastructure is the availability of local financing for innovative businesses through venture capitalists, angel investors, or more traditional banking systems and government seed money.

The second aspect of the innovative milieu relates more to what might be termed the "soft" locational factors, which are important in attracting the human intellectual capital that builds the knowledge infrastructure and drives innovation. As we saw earlier, Richard Florida's detailed study of mobile talent and technology-rich city economies in the United States indicates that success depends on quality of place strategies that combine the cultural attributes of tolerance and openness with the lifestyle amenities associated with attractive built environments and sustainable natural ones (Florida, 2000a; Florida and Gates, 2001; Saxenian, 1999).

The third and final component of the innovative milieu refers back to the inherently social and interactive nature of economic innovation. Simply put, the talent celebrated by Richard Florida and others must be disposed to cooperate for mutually beneficial ends as well as to compete for individual advantage.

In these terms, the locality needs some measure of what Robert Putnam and others have termed "social capital" – the shared norms, common values, and relationships of trust giving rise to robust networks (Putnam, 1993; Landry, Amara, and Lamari, 2000; Côté, 2001). Social capital serves as the lubricant of cluster interaction, enabling its members to substitute short-term "roguish" behaviour for participation in the collective investments and knowledge-sharing necessary for economic power and innovation. While some cluster analysts have questioned the general applicability of Putnam's particular notion of social capital, emphasizing its roots in historical bonds or familial ties, there is general consensus that trust-based relationships among participants in a cluster are crucial to its successful growth and development (Cohen and Fields, 1999).

One key sector where these relationships have been deemed especially relevant to cities is arts and culture production. With their culturally diverse populations, cities represent dynamic incubators for innovations in media, publishing, advertising, software, fashion, music, theatre, museums, galleries, and so forth (Bordeleau, *et al*., 1999; Brail and Gertler, 1999). Clusters in what Joel Kotkin (2000: 130) has termed the "cultural industrial complex" can become powerful contributors to the new urban economy, drawing tourists to artistic amenities and attractions in the central city, while also attracting "creative talent" to the regional labour market.

The renewed importance of the local milieu to leading edge firms creates opportunities for cities to become centers of innovation and learning (Glaeser, 2000; Kotkin, 2000). To realize these opportunities, most cluster analysts emphasize the role of government as both an investor in the knowledge infrastructure and a facilitator of collaborative learning. Philip Cooke and Kevin Morgan, leading international authorities on the associative dynamics of economic clusters, reject any downplaying of the "strategic significance of the state." Government remains active, especially in localized settings, although they note (Cooke and Morgan, 1998: 23):

> The associational repertoire involves two institutional innovations, which the more centralized political systems may be reluctant to sanction. First, it involves the devolution of power within the state system, from remote central departments to local and regional tiers, which are better placed to forge durable and interactive relations with firms, their associations, and other cognate bodies. Secondly, it involves delegating certain tasks, like enterprise support services for example, to business-led associations because the latter have far more knowledge of, and credibility with, their members than a state agency. A state that withdraws from direct intervention to indirect animation need not be a weak or ineffective state; if its policy goals are more effectively met through regulated delegation, it can actually become stronger by doing less and enabling more.

In the Keynesian era, the argument goes, the state relied on a command and control bureaucracy where officials assumed they had the in-house expertise to "pick winning sectors or rescue losing regions." In the neo-liberal period, the state was marginalized in economic development as rational, and optimizing firms responded to unambiguous market signals about investment opportunities. In the associative model that underpins cluster building, the state's most important role is to support networking and learning (Landry, 2001). This clarifies the importance of local officials. Tailored and timely service provision to clusters depends on detailed appreciation of industry challenges informed by ongoing dialogue with actors and listening to their feedback.

At the local level, this policy support takes three forms. First, a cluster perspective is brought to traditional land use planning. This could involve zoning for business-research parks or rapid conversion of "brownfields" or vacant industrial land to meet the infrastructure needs of technology firms. More broadly, given the linkage between "talent" and quality of life, it means giving priority to green spaces, cultural amenities, low commuting distances, and so forth. For example, Toronto's housing policy was viewed as supportive of a key cluster in that "the availability of affordable, funky downtown housing and loft units likely suited new media industry workers, and supported the development of new media clusters flanking the downtown" (ICF Consulting, 2000: 68).

Second, there is assistance, financial and facilitative, for innovation support initiatives such as business incubators, technology transfer organizations, venture capital services, and training consortia specific to the cluster workforce. Third, there are "governance innovations" taking the form of new institutional settings, ranging from development corporations to trade associations and community roundtables, where the different cluster actors can regularly interact. Much cluster research has stressed the importance of these forums in ensuring that local collaborators avoid becoming so "deeply committed to, or embedded in, a given set of routines that they fail to keep abreast of new sources of information, new ways of working, and new learning opportunities" (Cooke and Morgan, 1998: 33; Grabher, 1993).

In sum, this body of research emphasizes both the opportunities available to cities in the new economy, and the strategic capacities of local actors to mobilize around them. Rejecting deterministic or strong path-dependent arguments that downplay the prospects for locally driven economic renewal, analysts of cluster dynamics suggest a way forward for almost all locales. The point is not to try reproduce the exact cluster profiles of global leaders in Silicon Valley or Emilia-Romagna, but rather to learn from their processes. Here, the cluster advocates have developed fairly precise strategic knowledge in the form of interrelated steps for local officials. They recommend that local officials begin with systematic analysis of their city-region's potential industry niches, mobilize civic entrepreneurs for public-private leadership, and convene working groups to plan cluster specific strategies and cross-cutting infrastructural initiatives.

In the words of the cluster experts advising Toronto and other North American cities (ICF Consulting, 2000: 60):

> The outcome of such a collaborative, cluster-by-cluster process should then dictate the exact form that economic development policy in the City will take in the future, and feedback between the City and the clusters should be ongoing. This also holds true for co-ordination of City economic development policies with similar Provincial and Federal programs.

Of course, the cluster city-region agenda has not gone unchallenged. For some economists, the cluster theorists place too much emphasis on the contributions to firm productivity arising from territorially based knowledge infrastructures and associative networks. Competition still rests primarily on more prosaic cost criteria, and firms still locate most frequently on that basis (Krugman, 1996). Further, there is evidence that globalization has been accompanied by a "hollowing out of corporate Canada" as foreign-owned subsidiaries are stripped of their managerial autonomy and economic functions by head offices. Such consolidation and rationalization leaves little branch plant capacity or incentive to participate in localized learning networks. As Harry Arthurs describes this, the "consequential effects are likely to include declining urban economies" rather than cluster growth anchored by locally embedded, globally-oriented champions (Arthurs, 2000: 45).

Others question the representativeness of the interests and ideas in the cluster groups, probing the influence accorded to unions, environmentalists, and other community movements in the associative networks and governance institutions (Hamel, Lustiger-Thaler, and Mayer, 2000). They point out that city politics increasingly feature a range of movements contesting local development strategies. They further dispute the policy preoccupation on attracting talented knowledge workers. Supplying their professional needs and lifestyle amenities might come at the expense of more basic needs for other urban citizens. Here the questions are fundamental. Is a consequence of the cluster strategy, insofar as it emphasizes technology-based competitive firms, creating labour force polarization? Is the cluster conception of what constitutes "value-adding knowledge" narrowly biased toward business-oriented technologies, and therefore blind to other forms of community "know-how" that lead to social innovations that also enhance the quality of local places for many residents?

These questions, and the voices that raise them, are part of the life of all cities in Canada, and they must be on any new urban agenda. Our next two frameworks move them front and centre.

3.2 Social Inclusion and Neighbourhood Effects

This framework begins from the premise that dynamic economic clusters can exist alongside substantial poverty and growing inequality. Clusters may contribute to both localized prosperity and overall national growth, but their success may obscure the recognition of social problems within city-regions and between them. The focus turns to inclusion of all residents in the economic, civic, and political life of the city. While welcoming the priority placed on tolerance of ethnocultural diversity in the "talent-driven" labour market strategy of the cluster approach, social inclusion analysts extend the logic to emphasize socioeconomic equality.

The perspective is multi-faceted (Séguin and Germain, 2000:40). First, there is exclusion from full participation in the economy arising from labour market insecurity and poverty, which can undermine personal dignity. Second, there is exclusion from the social or kinship networks necessary for a sense of personal security and feelings of belonging in a particular place, whether it be a neighbourhood, community, or city.

Third, exclusion can take a more political form as individuals may be isolated from voluntary organizations and advocacy bodies that allow people to express mutuality, participate in democratic processes, and influence policies that affect daily life circumstances, for example, decisions on locating hazardous waste sites or expressways. Social exclusion thus refers to a series of interrelated experiences that leave individuals isolated and without access to the channels necessary for reconnecting.

Central to the local perspective on social inclusion has been the recognition that these negative dynamics intersect in specific neighbourhoods. The pattern increasingly is one of spatially concentrated deprivation and exclusion. The poor thus not only live in poverty but among other people who are also poor and separated from those who are not, signaling the absence of social networks linking to opportunity, or even information about where potential opportunities might exist. This leads to place-specific "neighbourhood effects," whereby social exclusion, perhaps originating in individual human capital deficiencies or unemployment, is compounded by features of the locality itself. The problem is distinct from any notion of a "culture of poverty" rooted in the flawed values or character of the poor. In fact, the logic of social exclusion parallels the economic cluster argument about the effects of the innovative milieu on a firm's prospects. In this case, however, the social environment works in the opposite direction, multiplying the constraints on progress for individuals already experiencing difficulty, as barriers in one aspect of life become linked to others. The effects of living in such places over time are equally cumulative. Socially isolated and spatially segregated places do not breed new ideas and partnerships, but feelings of despair manifest in anti-social behaviour or even criminal "survival strategies" (van Kempen, 2001: 56).

Researchers have shown how such neighbourhood effects function (Sampson, 1999). Obstacles to employment, for example, may be reinforced by the absence of adequate public transportation. A "spatial mismatch" between work and home can arise within metropolitan areas for low-income earners when routine office and retail jobs shift outward to suburban areas while housing markets dictate central or inner city residency. Such mismatches make it both more difficult to learn about employment opportunities and more costly to take them up. Some analysts have described the impacts of "place discrimination" in the labour market, where residents of certain neighbourhoods are effectively barred from jobs by virtue of their undesirable address.

More fundamentally, American and European studies of poor neighbourhoods show that residents are considerably less healthy than others, irrespective of individual characteristics (Dreier, Mollenkopf, and Swanstrom, 2001: 67). They are more exposed to risk of disease, assault, accidents, fire, and exposure to toxic pollutants. People in these places have considerably shorter life expectancies. Moreover, there are other neighbourhood obstacles to healthy lifestyles, ranging from paying more for groceries and banking services, to poor schools and the absence of safe play spaces for children or adult-youth mentoring systems (Connor and Brink, 1999).

As Peter Dreier, John Mollenkopf and Todd Swanstrom argue, these different dimensions of spatially concentrated social exclusion should not be viewed in isolation in urban spaces. While making specific reference to the American case, they offer a more general summary of the problems (Dreier, Mollenkopf, and Swanstrom, 2001: 91):

> In fact, they are part of a seamless web. Each is a *cause* not just an effect, of economic segregation and suburban sprawl. In combination, they reinforce the vicious circle of regional inequality. Poor fire protection can lead to neighborhood instability, causing higher rates of disease and out-migration. With fewer customers, the retail sector declines, reducing job prospects in the area. With rising unemployment, the crime rate soars, which only encourages more families to move out. To speak of these spatial effects as 'externalities,' as economists do, wrongly implies that they are marginal and correctable with government interventions. In fact, they are ubiquitous, complexly intertwined, and difficult to change.

Certainly, much of the research on urban social exclusion has been done in the United States, where an historical overlapping of racial discrimination and economic exclusion has been starkly visible in many distressed inner city areas. Indeed, in some American cities, there is concern that social exclusion has reached a level where the more accurate term may be social containment. In other words, not only are inner city residents "sealed off" by expressways or public housing complexes and the lack of civic networks, but upper income residents are equally concentrated in their privileged places at the city's outer edges, where they command the access and resources needed to entrench their own isolation (Dale, 1999).

While the problems of social exclusion in city-regions are most advanced in the United States, the concern is becoming widespread. A study of neighbourhood effects in Stockholm, for example, concluded that "the quality of life may vary substantially across urban space, even in a Scandinavian welfare state" (Andersson, 2001: 181). In Britain, the recent government inquiry into the violence and property destruction occurring in a number of cities and towns underscored the barriers and distances separating ethnocultural groups. "Whilst the physical segregation of housing estates and inner city areas came as no surprise, the team was particularly struck by the depth of polarization of our towns and cities." The inquiry concluded that the disturbances reflected a "divisiveness and a perception of unfairness in virtually every section of the communities." It called for a national strategy to rebuild "community cohesion," targeted at including the disaffected and disadvantaged (Home Office, 2001: 9).

More generally, Hans Thor Andersen and Ronald van Kempen have described "undeniable megatrends" that they argue are now reshaping cities in Europe (2001: 4-5).

> Coinciding with changes in the labour market, the urban transformation has led to rising levels of segregation and concentration among vulnerable groups. Hence, different groups are separated not only spatially, but according to living standards, life experiences, and expectations. Marginalized groups are concentrated on large estates at the edge of the city and in poor-quality housing in certain inner-city areas. They are isolated from other social groups. There is reason to believe that their relations with other groups will turn into separate visions and images of the locality and society in general.

In Canadian cities, there has been less spatially concentrated poverty than in the United States, and residential settlements have exhibited more ethnic diversity and cultural mixing than that described for the United Kingdom. In comparison to these countries, Canada's cities feature "more cosmopolitan landscapes and widespread multiethnic neighbourhoods" (Ley and Germain, 2000, quoted in Gertler, 2001). However, Kevin Lee's recent statistical profile of Canadian poverty maps disturbing trends for social inclusion in all urban centers (Lee, 2000: 91; Hatfield, 1997). He reports that central cities had higher poverty rates than their adjacent suburbs, and the differences were often striking. Within the Toronto city-region, for example, the city's poverty rate was 27.6 percent, compared to only 9.9 percent in Oakville. In Montreal, similar spatial concentrations of poverty have been mapped, especially those impacting immigrants, lone parent families, and the elderly (Gouvernement du Québec, 2000). Lee elaborated on the findings of increased high poverty neighbourhoods (2000: 91):

> As the number of these neighbourhoods grew, high-poverty neighbourhoods covered a larger geographic area and included larger numbers of families. As a result, families in these neighbourhoods accounted for a larger proportion of all families – both poor and non-poor – in any given city. Although the geographic concentration of poor families has been acknowledged in many U.S. cities, it was long believed that Canadian cities had eluded this problem. However, this report's research shows that concentrated poverty also exists in Canada.

As the different dimensions of social exclusion build on one another in the same neighbourhoods across the country, Lee (2000: 94) calls for a new "spatial component" in national anti-poverty efforts. "Considerable differences in poverty rates signify that the prosperity and opportunity that many Canadians enjoy are not being shared equally by citizens within communities and among communities. Furthermore, concentrations of poverty in Canadian neighbourhoods may lead to the isolation of residents from employment networks, as is evident in some inner cities in the United States."

Problems of social exclusion in Canadian cities are especially urgent for Aboriginal people. While the average poverty rate among all city residents was 24.5 percent, for Aboriginal people the rate was 55.6 percent. Over the past 30 years, the Aboriginal population in cities has grown considerably. Pushed from their rural reserves by substandard housing and limited educational opportunities, and pulled to cities by the prospect of employment or schooling, Aboriginal people face significant obstacles to making progress. Cultural dislocation, loss of identity, and racial discrimination all contribute to placing urban Aboriginal people at far greater risk of poverty and social exclusion. Homelessness in cities disproportionately affects Aboriginal peoples. In Calgary and Edmonton, Aboriginal people are approximately 10 times as likely to rely on emergency shelters as the general population, whereas, in Toronto, Aboriginal people make up 1 percent of the population and 15 percent of shelter admissions (Layton, 2000: 126). Not surprisingly, some analysts now use the term *ghetto* to describe Aboriginal living conditions in Canadian urban centers (Kazemipur and Halli, 1999; Polèse, 2002).

What can be done to tackle growing problem of spatially concentrated social exclusion in Canada's cities? If the problems of the poor in poor neighbourhoods are multi-faceted, then so must be the solutions. To begin, as Séguin and Germain (2000) emphasize, there must be financial investments from upper level governments in the social infrastructure of education, health, transit, child care, and affordable housing. Yet, social exclusion in the cities will not be redressed only by macro-level interventions. More targeted and intensive efforts are needed to reconnect marginalized people to the economy, society, and polity. This is most evident with Aboriginal people, where supports such as affordable housing or skills training and employment programs must be designed and delivered in culturally appropriate ways, necessitating direct involvement and control by urban Aboriginal peoples themselves. As the Royal Commission on Aboriginal Peoples (1996) argued, Aboriginal self government has a crucial urban dimension, the modalities of which will require hard thinking by all policy communities. In the meantime, Aboriginal representatives, government policy makers, and urban service providers must collaborate to address this pronounced form of social exclusion in Canadian cities.

The principle that solutions to social exclusion in cities require fine-grained interventions based on local "contextual intelligence" applies more generally as well (Sabel, Fung, and Karkkainen, 2000: 6). There is a large role for urban design and land use planning to play in making cities more inclusive places. One obvious goal is to avoid carving physical spaces into isolated zones crossed by expressways and reached conveniently only by vehicles (Sampson, 1999). Instead, emphasis could be placed on mixed development. On one hand, this means planning attractive accessible public spaces that help build community by bringing people of different ethnocultural backgrounds or socioeconomic statuses together for recreational activities, civic celebrations, and the like. On the other hand, it means finding ways to create neighbourhoods with more mixed income housing than presently exists across metropolitan regions. Despite the evident obstacles to such a course, it is apparent that the resulting diversity contributes substantially to building the social networks and civic engagement that will help the poor overcome exclusion.

Another key urban design issue is the quality of public transit systems, since the excluded and those most vulnerable to poverty rely on it for their daily existence. The problems extend beyond issues of affordability, as Sherri Torjman has pointed out (1999: 5):

> The problem can be summed up in a nutshell: You cannot get there from here. Because the bus companies in some communities are run by individual local governments, the arrangement can result in serious gaps in transport throughout the area. In theory, it is possible to respond to this problem by encouraging prospective workers or students simply to move closer to their work or school. But here they may come smack up against the lack of affordable housing.

In sum, there are a number of crucial land use and urban design choices, which, alongside the social and fiscal policy decisions of upper level governments, have major consequences for patterns of social inclusion and exclusion in cities. The spatial configuration of housing, jobs, and public spaces – and the way in which transit systems connects them – influences the degree to which all members of the society can participate in city life.

A related challenge involves making the city a safe place for everyone. In Toronto and Montreal, neighbourhood-based "women's safety audits" have been initiated to evaluate the urban environment from the perspective of those most vulnerable to assault. The goal is to involve the entire community in redesigning public spaces to make them safe and accessible for all citizens (METRAC, 2001; CAFSU, 2001).

Given the reality of spatially concentrated poverty and neighborhood effects on individual life chances, another prominent line of attack focuses on "community capacity building." The aim is to build up the social capital in distressed areas themselves, thereby empowering the poor with information, resources, and access to wider support services and networks beyond the neighborhood. As Michael Woolcock (2001: 14) has explained, for the socially excluded "a social capital perspective recognizes that exclusion from [public, private, and civic] institutions is created and maintained by powerful vested interests, but that marginalized groups themselves possess unique social resources that can be used as a basis for overcoming that exclusion, and as a mechanism for helping forge access to these institutions."

This emphasis on the latent assets and social resources of the poor, and collective action in disadvantaged neighbourhoods, is the departure point for our next framework – community economic development as a means to generate opportunity for the excluded in cities.

3.3   Community Economic Development

Community economic development is a space-sensitive framework that has attracted much interest in debates about the restructuring and renewal of cities. As Eric Leviten-Reid observes: "In many ways, the current thinking about innovation aligns nicely with longstanding principles and practices within community economic development" (Leviten-Reid, 2002: 11). Like the economic cluster analyses previously described, community economic development emphasizes the advantages of local places, focuses on building human and social capital, and seeks an "innovative milieu" for meeting the collective needs of citizens and enterprises. However, its vision of these needs, and indeed of what constitutes a dynamic local economy, are very different from that of globally focused, export oriented technology clusters.

As we saw earlier in this paper, the community economic development movement made important breakthroughs in the 1960s in a number of cities, and continued "swimming against the tide" in the less hospitable climate of subsequent neo-liberal decades (O'Connor, 1999). As is often remarked, the United States was the country where community-based urban activity has acquired its greatest prominence, largely because grass-roots organizations have been called on there to meet various social needs supplied by welfare state programs in almost all other OECD countries. In the United States, citizen and volunteer groups, assisted financially by a national network of various philanthropic and charitable intermediaries, have long experience working in inner-city neighbourhoods on issues such as housing, employment, job training, and environmental clean-up. In Canada and Europe, community development movements also have a long history, but gained new momentum in the 1990s, when the combination of economic recession and welfare state cuts produced widespread poverty and exclusion.

In Quebec, under the rubric of the "social economy," community organizations and social activists have advanced an alternative model for capital formation, employment, and service provision (Lévesque and Mendell, 1999). In recent years, governments everywhere, anxious to relieve themselves of spending responsibilities, have been keen to engage "social partners" in finding community-based solutions to the problems faced by chronic welfare recipients, high school drop-outs, or workers suddenly abandoned by plant or office closures (Shragge, Graefe, and Fontan, 2001).

Pierre Filion (1998: 1101) has identified three fundamental fields of engagement for community economic development organizations: (1) direct provision of social services to the local population; (2) the spawning of micro-enterprises; and (3) political action on behalf of disadvantaged groups. In theory, community economic development is guided by alternative principles for organizing a local economy and society. Key principles include a primary focus on serving communities, especially meeting the needs of their most disadvantaged members, rather than on accumulating profits. There is also an emphasis on self-management of enterprises, as distinct from hierarchical structures of conventional private or public sector organizations. There is a priority on local democratic control over work and living conditions, and challenging the legitimacy of absentee business owners, landlords, or remote public bureaucracies. Finally, there is a commitment to enhancing the economic self-reliance of communities through various strategies to increase the local economic multiplier, which could include "buy local" programs, micro credit provisions, recycling waste products, and import substitutions.

Indeed, community economic development in Canadian cities has displayed a remarkably wide range of experiments with varying targets and practices. These include initiatives in housing and homelessness; training and employment; immigrant settlement; child care co-operatives; supports for micro-entrepreneurship; financial asset-building for the poor; environmental clean-up; fresh food community gardening; and breakfast programs for school-aged children. A connecting thread has been described as "comprehensive community initiatives." In the words of the Caledon Institute of Social Policy (2001: 5), one of the leading contributors to community economic development in Canada:

> Comprehensive community initiatives [CCIs] are neighbourhood-based or community wide efforts that seek improved outcomes for individuals and families, as well as improvements in neighbourhood conditions, by working comprehensively across social, economic and physical sectors. Additionally, CCIs operate on the principle that community building – that is strengthening institutional capacity at the neighbourhood level, enhancing social capital and personal networks, and developing leadership – is a necessary aspect of the process of transforming distressed neighbourhoods.

The community economic development movement seeks to strengthen "institutional capacity" in each of the three intertwined dimensions of spatially concentrated social exclusion – the economic, political, and civic. Its primary focus on creating meaningful work for the marginalized addresses the labour market and economic aspects.

In political terms, the commitment to democratic participation in community decision-making, as well as representation on government bodies, allows the poor to undertake political responsibilities and to advance claims for social citizenship. Finally, the emphasis on citizen participation in service provision and advocacy work provides vehicles for isolated individuals without social networks or informal contacts to regain a sense of community belonging and civic identity (Graham and Phillips, 1998). Social movements, trade unions, credit unions, church groups, loan associations, and research organizations in a number of Canadian cities have taken the lead in mobilizing people to find new ways, and new shared spaces in which to connect with others. In their analysis of community development in Quebec's social economy, Eric Shragge, Peter Graefe and Jean-Marc Fontan provide an illustration (2001: 100). "A community restaurant, for instance, might provide a public space for social interaction, which the poor can afford. At the same time, work at the restaurant allows the excluded to develop their personal and employment capacities."

For all the undeniable interest and activism in community economic development in Canada, there is no consensus yet among researchers or practitioners about its "potential and limitations" (Filion, 1998: 1101; Lévesque and Mendell, 1999). It delivers social services to the poor that, in a time of state retrenchment, might otherwise be unavailable, and it provides economic opportunities for advancement for the excluded that the private market severely under-supplies. Moreover, its process is participatory and democratic, enabling marginalized individuals to learn new skills and to contribute to community capacity. Marcia Nozick has summarized the case for community economic development's potential (1991: 85) in this way: "Growth is understood as more than bottom line profits or employment statistics; it has to do with a learning process, an empowering process and an improved quality of life."

Further, some analysts have described potential synergies in localities between economic clusters and community economic development as interrelated responses to the globalization challenge. That is, a comprehensive local strategy would include cultivation of *both* economic clusters, with their high-value added specializations *and* the labour intensive social economy, recognizing that they are different approaches but not incompatible. Philip Cooke and Kevin Morgan label this a "twin-track approach" with the following rationale (1998: 218): "Rather than dismissing regional innovation policy for not addressing the problems of social exclusion, which it is not designed to do, it is far better to think of a repertoire of policies … which afford parity of esteem to economic renewal and social justice." The logic of the twin-track approach has been further elaborated by Frank Gaffikin and Mike Morrissey, two other European analysts of local economic development (1999: 212):

> Different conceptions of local economic development pertain. One concentrates on small business formation with conventional commercial criteria (efficiency, profitability, etc.); the other proposes holistic neighbourhood development with participative structures and goals embracing both social and economic outcomes. The former benefits from focused remit, unencumbered by social development processes. Its failing lies in limited accountability and over-dependence on multipliers to deprived localities. The latter gains from comprehensive strategy and democratic structure. However, it risks impact diffusion by attempting to accommodate a plurality of goals, some of which may 'crowd out' the imperative to establish efficient and competitive firms.

The way forward, they argue, lies in recognizing the "fit" between the respective goals and time frames of the two approaches. "This involves a critical role for a *social economy* in the short to medium term, since long-term development over a 25 year period may have to be oriented to investment in diversification to a new competitive sectoral specialisation, liberated from *job creation* as its immediate outcome" (Gaffikin and Morrissey, 1999: 218).

In Canada, an example of such a two-track approach might be found in Ottawa. Often referred to as "Silicon Valley North," Ottawa is home to a large concentration of high technology firms, exhibiting all the features of a dynamic cluster including venture capitalists, educational institutions, science and technology infrastructure, and an attractive environment. Linkages and networking are facilitated by strong local governance institutions. At the same time, one of the key institutions in the cluster, the Ottawa Centre for Research and Innovation, has joined with the City of Ottawa and other business, labour and anti-poverty groups, the educational sector, and upper level governments in a community economic development initiative known as Partners for Jobs (City of Ottawa, 2000). In the context of a downturn in the cluster economy, its aim is to deliver customized training and employment related supports to unemployed people. In its first two years, over 60 such partnerships have been initiated.

A similar two-track process has also emerged in the original cluster hot-spot, Silicon Valley in California. A local organization, Working Partnerships USA, led by trade unions and community groups based in the city of San Jose, has developed a *Community Economic Blueprint* for addressing "new economy" issues such as the rise of non-standard work, labour market discrimination, and the need for 'living wages'." This project has "received substantial attention in the media and helped to begin to shift the terms of debate about economic development in the region" (Policy Link, 2000: 41).

At the same time, other observers, more attuned to the limitations of community economic development or the social economy, are sounding notes of caution. Scrutinizing the "post-Fordist" synergies between high technology clusters and community economic development, Pierre Filion argues that the community track of local economic development almost always faces debilitating resource shortages, either through inadequate access to capital for micro-enterprises or the absence of government funding on which virtually all Canadian community economic development organizations depend. More broadly, he foresees "accentuated polarization" arising within local labour markets between high paid work in clusters and low paid work in the social economy (1998: 1115).

Indeed, it is the risk of institutionalized inequality that is the primary concern of those who warn against placing too much emphasis on community economic development (Lévesque and Vaillancourt, 1996). In their review of the evidence, Shragge, Graefe and Fontan pinpoint the problem as the "slippage from viewing the social economy as a tool for meeting needs through *new* initiatives to proposing it as a replacement or substitute to *existing* public services" (2001: 102). The result is likely to be services to the poor of uneven quality and access, and service provision jobs lacking the remuneration and security of those in the traditional public sector. The impacts may be especially negative for women, whose greatest labour market gains have come in public "care" sectors such as health and social services, which become the focus for much social economy activity (Lamoureux, 1998).

In addition, there are the pressures of "professionalization" that accompany a larger role for community action. On one hand, grass roots participation and democratic experimentation may be lost under the pressures to meet broader public policy goals. On the other hand, those very policy goals may well reflect priorities other than those of the community itself, such as program cost-cutting or mandatory reinsertion of social assistance recipients into work of whatever kind. What may be lost is an element integral to community economic development's alternative principles and vision, that is, more diverse local experiments, ranging from worker cooperatives to barter networks.

In sum, there remain differing perspectives on the viability of community economic development as a strategy for addressing the growing problems of social exclusion in Canadian cities. In light of the debates, it is reasonable to conclude by highlighting one clear area of common ground. To have any chance of success, community economic development requires a supportive macro-level environment. One aspect of this environment is the presence of intermediary institutions or government departments that bring resources and expertise, while bridging the local process into wider networks. A second key aspect of external support for community economic development is the public policy context. For example, macroeconomic policies that place priority on high employment, along with labour market policies and employment standards that regulate for "good jobs" across all sectors of the economy are two measures at the federal and provincial levels that would help community economic developers bring meaningful new opportunities to the city's excluded populations (Lévesque and Mendell, 1999).

This emphasis on interdependencies across governance scales, and the necessary embedding of local projects in larger policy contexts, is amply evident in our final framework for renewing cities, that of environmental sustainability.

3.4 Sustainable City-Regions and Growth Management

The National Round Table on the Environment and the Economy recently stated that "if Canada hopes to make a positive contribution to global sustainable development, perhaps nothing is so important as 'getting cities right'" (2001: 1). For the past decade, there has been growing awareness of the important role that cities play in environmental problems and prospects. Just as cities are now understood to be crucial to addressing issues of economic innovation and social cohesion, they are equally seen as *the* places where both major ecological problems originate and their solutions are to be found (Sabel, Fung, and Karkkainen, 2000). In these terms, Peter Newman has observed that "it is critical that at the local level we have a continuous flow of innovations in sustainability, both in symbolic gestures and in institutional responses that lead to mainstreaming. Otherwise the process cannot start and it cannot become an accepted part of our cultures" (quoted in Tyler, 2000: 490).

With their concentrations of people and businesses, cities are massive consumers of non-renewable resources and producers of solid wastes not easily disposed of or broken down. As such, they confront major environmental challenges in air and water pollution, waste management, destruction of agricultural lands, and disruption of ecosystems. Once again, a great deal rests on how local places are managed.

The opportunities arising from proximity and density to limit environmental damage must be seized. Such opportunities are rooted in planning a more *compact built form* for the city. The benefits include limiting the use of vehicles by making cycling, walking and public transit feasible; reducing demands on surrounding lands, habitats and ecosystems; lowering infrastructure costs for households and businesses, ranging from water treatment to garbage and recyclable waste collection; and the reduced fossil fuel and energy consumption that has been documented in concentrated housing and commercial complexes, when compared to detached housing and dispersed industry (UN Centre for Human Settlements, 1999: 57).

Yet, any such environmental advantages of proximity have remained mostly theoretical ideals in relation to the actual development of Canadian cities. The predominant approach to urban planning and public policy, as our earlier historical review highlighted, consistently favoured low-density residential and commercial development. Mary Ellen Tyler (2000: 480) succinctly summarizes it in this way: "This model of urbanism – as real estate, zoning, and technological infrastructure – may function extremely well in response to sociopolitical and economic goals, but it has nothing to do with ecosystem science and ecological processes in the natural world." She observes that urban sprawl has filled in wetlands, removed agricultural soils, changed the course and flow of rivers and streams, removed habitats for species, changed climates, and contributed much to the rising number of summer air quality alerts in cities (Tyler, 2000: 484). Of course, the costs are not just ecological. They extend to government budgeting, where more money must be paid for new physical infrastructure, human services, and recreational facilities in outlying areas. Clearly, the potential exists for a new strategy in cities that is both more cost effective and environmentally sustainable.

In light of these problems, a new urban ecology approach has crystallized around three core ideas – the "ecological footprint," ecosystems planning, and urban sustainability. The ecological footprint concept developed by William Rees (described in Hardoy, Mitlin, and Satterthwaite, 1999) seeks to capture the full impact of the city on its surrounding countryside and hinterlands. Cities consume all manner of renewable and non-renewable resources from beyond their boundaries, and they discharge a similarly large range of waste products across a much wider space. The ecological footprint tracks the cross-flow of resources and products between cities and their surrounding areas to produce measures of the full amount of land actually affected by the functioning of the city. Such footprints are many times greater than the area formally constituted by the city's built environment. For example, London, England's ecological footprint has been estimated at 125 times the city's actual size (Hardoy, Mitlin, and Satterthwaite, 1999: 445). In a Canadian example, Rees reported that "the lower Fraser Valley of British Columbia (Canada) in which Vancouver is located has an ecological footprint of about 20 times as much as land as it occupies – to produce the food and forestry products its inhabitants and businesses use, to grow vegetation to absorb the carbon dioxide they produce" (quoted in Hardoy, Mitlin, and Satterthwaite, 1999: 443-45).

Linked to the concept of the ecological footprint is an ecosystems approach to urban and regional planning. In this, there is explicit recognition that cities are nested within a larger system of natural regions, and that the balance between the needs of human settlement and ecosystems must be maintained.

Conventional urban boundaries rooted in economic, commercial, or administrative logics are challenged by alternative maps encompassing the "complex and cumulative interactions that occur within and between the natural and built environments" (Tyler, 2000: 493). Ecosystem boundaries extend well beyond existing municipal lines and land use frameworks. Appropriate scales for planning are redefined in relation to watersheds, escarpments, and moraines. Tyler (2000: 493) notes that the ecosystems approach was "popularized" in Canada by the 1992 Royal Commission on the Future of the Toronto Waterfront. David Crombie, the Commission chair, has reflected that (2000: 11):

> We could no longer simply treat economic, environmental and community issues separately. We had to deal with them together. I can remember when we first brought out a map of Toronto … Our environmental map, of Toronto, of course, started at the top of the Oak Ridges Moraine, went over to the Niagara Escarpment, and came down to the lake. That whole area is really the environmental map of Toronto.

The concepts of the ecological footprint and ecosystems planning for "bio-regions" are central to the holistic vision and policy practices of urban sustainability. Tracing its origins to the Brundtland Commission of the 1980s, urban sustainability aims to simultaneously incorporate into municipal decision-making the environmental, social, and economic dimensions of development. A sustainable city is dedicated to reducing its impact on the bio-region by shrinking the size of the ecological footprint. The strategies are by now well known and involve government deploying a host of policy instruments and fiscal incentives to embed ecological factors into the decision processes of citizens and businesses. Familiar goals are substituting brownfield conversions for greenfield development, and higher density housing complexes for detached single family lots; ensuring local waste management and reuse rather exporting it to distant landfill or incineration sites; limiting private automobiles; and protecting natural heritage sites or expanding green spaces.

The goal of urban sustainability clearly requires action at all levels of government. In their land use planning and zoning practices, cities can make progress on some fronts. In economic development strategy, for example, cities could target so-called green technology firms and supply infrastructure for an environmental products cluster. In addition, through their procurement, contracting, and energy use policies, cities can leverage sustainable business practices. With municipal buildings, officials could provide appropriate energy saving retrofits.

Cities can also facilitate local food production. Edmund Fowler and Franz Hartmann have described the potential for shrinking of the ecological footprint of Canadian cities. "The direct environmental benefits of urban food production lie, in part, in the elimination of those costs, which are almost invisible to the average city dweller but which cause great damage to the biosphere in general and to human health in particular: thousands of tons of pesticides and herbicides that permeate our water and soil; extensive pollution from thousands of diesel engines transporting our food from California, Mexico, and Florida; and the loss of millions of tons of topsoil due to unsustainable industrial farming methods" (Fowler and Hartmann, 2002: 166). Finally, in waste management, cities can take the lead in promoting garbage recycling and exploring the potential for reuse, alternative electricity sources, or composted soil.

For its sustainability achievements in some of these areas, the Hamilton-Wentworth city-region was recognized in the 1990s by UNESCO. The city of Calgary undertook an innovative study of "sustainable suburbs" that proposed new ecological policies for the urban form, and underscored how their implementation could realize cost savings in comparison to conventional urban sprawl (Tyler, 2000: 496).

Yet, cities, on their own, lack the money, power, and scientific expertise to create sustainability. Provincial resources are necessary for regulating local water and air quality. Sustainable practices such as brownfield conversions often involve high site preparation costs for the clean-up of contaminated soils and for renovations. Moreover, investments from both federal and provincial governments in urban public transit are crucial in lessening the heavy reliance on automobiles and trucks in Canadian city-regions. Certainly, provincial approvals and cooperation would be required for new forms of ecosystem planning. As David Crombie (2000) noted, bio-regions cut across many municipal jurisdictions and therefore require wider governance mechanisms with new powers. The British Columbia government in its 1995 *Growth Strategies Act* and Livable Region Strategic Plan took positive steps toward enabling municipalities across the Lower Mainland to contain sprawl, limit automobile use, and protect environmentally sensitive lands (Smith, 1996).

More generally, however, upper level governments, which often make laudable commitments to global environmental targets or help municipalities in developing sustainability indicators, also need to ensure that financial and regulatory resources are in place for local officials to be able to deliver better environmental performance.

3.5 Conclusion – Cross-cutting Themes on How Place Matters

This section has mapped four analytic frameworks, all paying serious attention to the independent effects of local places on larger public policy outcomes. It was also apparent that these frameworks differed on the spatial scale most important for the "new localism." On one hand, the economic clusters and environmental sustainability perspectives were clearly regional in their orientations. On the other hand, the social inclusion and community economic development perspectives were more tied to specific neighbourhoods within city-regions and, therefore, approached local issues more at a community scale. Table 2 captures key points of divergence and convergence across the four frameworks.

Table 2. New Localism Frameworks

	Economic Clusters	Social Inclusion	Community Economic Development	Sustainable Development
Vision of "Place Quality"	• Entrepreneurial city and learning region	• Inclusive neighbourhoods and diverse city	• Self-reliant communities and equitable city	• Healthy city and sustainable region
Focus of Interest	• Region	• Neighbourhood	• Community	• Bio-region

Table 2. New Localism Frameworks, continued

	Economic Clusters	Social Inclusion	Community Economic Development	Sustainable Development
Key Goal	• Knowledge-based, globally competitive clusters	• Integration of marginalized citizens into social, economic, and political mainstream	• Social economy that meets local needs and provides opportunities for employment, self-management, and solidarity	• Ecosystems planning to limit suburban sprawl, encourage green space and agricultural land preservation
Policy Priorities	• Investments in knowledge infrastructure and urban lifestyle amenities • Institutional support for inter-firm networking and learning, and for venture capital	• Investments in socially mixed affordable housing, anti-poverty and anti-violence measures, and equality of access to community services • Institutional support for cultural diversity, immigrant settlement and Native claims	• Investments in job creation, labour market training, and affordable housing • Institutional support for alternative economic strategies, the third sector, and democratic production	• Investments in an "ecological restructuring" of the urban form through public transit, higher density development, and resource conservation • Institutional support for sustainability indicators in all land use and development planning
Governance System	• Public-private partnerships	• Participatory democracy	• Cooperative self-management	• Multi-stakeholder roundtables
Project Leadership	• Civic entrepreneurs from business and educational sectors	• Community activists from social movements, labour, and charitable foundations	• Community activists from social movements, labour, and charitable foundations	• Environmental activists from multiple sectors
Stress Points and Vulnerabilities	• Social polarization if opportunity limited to "talent" or "symbolic analysts" • Doubts about applicability of cluster strategy beyond "high tech hot spots"	• Limited resources available to community organizations • Resistance to socially-mixed housing in more affluent neighbourhoods • Cross-cultural misunderstanding and barriers	• Limited resources available to community organizations • Globalization not hospitable to alternative economic projects • Development success limited by labour market deregulation	• Municipal fiscal pressures create incentives for sprawling development • Deteriorating infrastructure for water and air quality and waste disposal • Obstacles to planning at the bio-regional scale

As we suggested at the section's outset, all of the projects share a concern to develop the "social dimensions" of city life, expressed in a commitment to more networked forms of relations among citizens, organizations, and institutions. Indeed, the connecting threads among the "new regionalists" preoccupied with urban economic and environmental challenges, and the neighbourhood-based "community builders" tackling spatially concentrated social exclusion, have been recently identified.

As Pastor and colleagues (2000: 181) observe.

> The new regionalists, after all, argue that internationalization has helped regions emerge as the key level of economic activity, partly because it is at this level that actors can constitute effective social capital (that is, the sense of a regional community) and a set of industrial clusters. The new community builders likewise stress social capital, noting that the first step to neighborhood development is often rebuilding the basic community fabric and recognizing that neighborhoods should be seen as part of a regional whole in a deeply globalized economy.

Of course, the precise composition of these social networks and forms of social capital vary across the frameworks, as do their strategic priorities for developing "place quality." Still, three themes are common across these approaches:

1. There is consensus on the importance of *locally sensitive approaches* to urban problems and opportunities. For all frameworks, the advantages of acting locally include the presence of fine-grained knowledge of unique conditions, the face-to-face interactions that facilitate cooperation among diverse actors, and the need to integrate decisions about the built environment and urban design with larger economic and social policy priorities.

2. All of the frameworks converge on the importance of *collaborative governance mechanisms*, which cross the traditional public-private divides and offer voice to numerous actors and organizations in the city-region.

3. Finally, it was emphasized in all cases that enduring localized solutions to economic, social, and cultural challenges will emerge only in *enabling contexts structured by upper level governments*.

The final section of this paper further explores these cross-cutting themes central to the future of city politics in Canada. It considers alternative governance models and new policy directions, and concludes by identifying priorities for further research.

Part 4. The Road Ahead – Vision, Governance, and Research

The responses of individual Canadian cities to the common challenges they presently face will be influenced by a range of contextually specific factors. These include constitutional relations with provincial governments; the structure of the local economy and its global prospects; the degree of ethnic and cultural diversity; and, as urban regime theorists have demonstrated, the governing coalitions whose interests and ideas shape local discourses of development (Stone, 1989). All of these factors must be taken into account in analyzing the extent to which any of the four different frameworks described in our previous section actually find expression in local priorities.

Are cluster strategies flanked by community economic development initiatives for poor people? Are sustainability goals embedded in land use planning for business parks or merely mentioned as an afterthought? Are the environmental hazards associated with urban production and consumption concentrated in the same neighbourhoods? Such questions can only be answered through detailed case studies of individual cities. As Clarke and Gaile (1998: 8) conclude, there is "no 'silver bullet' promising successful local adaptation" and "localities will choose contextually specific paths in responding to globalization."

Notwithstanding the inevitable diversity in responses and solutions, there are still some general lessons to be drawn about how Canadian city-regions can maintain their quality of place in the face of today's fiscal constraints and competitive pressures. These lessons speak to the *vision* of the successful city-region, its *governance arrangements*, and *inter-governmental relationships*.

4.1 Vision – Community-based Regionalism

A central theme in this paper is that greater appreciation of "local place quality" will be necessary to meet the national challenges of economic innovation, social cohesion and cultural inclusion, and environmental sustainability. Our historical review highlighted how this perspective only infrequently and weakly informed the major policy paradigms of Keynesianism and neo-liberalism that have structured postwar Canadian urban development. Conversely, our discussion of four new frameworks informing debates about the future of cities revealed each to be attuned to the significance of place – for some conceptualized as the region and, for others, understood to be the neighbourhood or community.

It is important that advocates for these different perspectives on the city's problems and prospects now come together across the regional and community scales that underpin the "new localism." As research by Richard Florida (2000a; 2000b) has shown, the growth of high technology clusters depends in large part on attracting mobile workers who demand a high quality of urban life that is simply not possible in places with spatially segregated neighbourhoods concentrating the marginalized. By the same token, anti-poverty activists recognize that their community capacity-building efforts in disadvantaged neighbourhoods require linking the excluded into wider regional networks for services, education, training, and employment. The priority, then, is a "more inclusive set of regional and community development strategies" (Pastor, *et al*., 2000: 15).

Pastor and colleagues elaborate (2000: 15-16):

> We suggest that there should be three guiding principles for what might be termed 'community-based regionalism.' The first is simple: to 'reconnect' the region, we must reconnect its people, bringing together business and government decision makers with community leaders around key policy discussions. The second and third principles are concerned with what specific strategies might emerge from those discussions. On the one hand, we argue that regional planning should pay special attention to low-income communities; on the other, we suggest that community development must acknowledge the importance of the region.

Pastor and his colleagues have analyzed the dynamics of community-based regionalism in relation to American cities, with their more entrenched problems of exclusion and segregation. But the fundamental vision is one of bridging divides between actors and spaces in city-regions, and it certainly carries resonance beyond troubled urban centres in the United States. The essential thrust was recently captured by Jane Jacobs at a dialogue about the future of Toronto, when she said, "I live downtown but I don't consider myself to be a downtown person. My concern is much more regional" (quoted in Rowe, 2000: 68). The core proposition is that the spatial dynamics of advantage and disadvantage across metropolitan spaces increasingly leave central core cities with high demands and costs for services but a declining population and revenue base to meet them.

From the perspective of a community-based regionalism, a series of linked strategies emerge. At the regional scale, priorities include tax equity, uniform levels of public service, and cooperation across municipalities in planning for ecosystems and economic development, which also integrate cluster building with skill formation in local labour markets. Equally important, these regional strategies would be "bottom-up," informed and structured by input from the neighbourhoods where people live, where community organizations work, and where vital policy intelligence resides. In their discussion of urban environmental policy, Edmund Fowler and Franz Hartmann have captured the logic of the essential interplay across community and regional scales. They recommend a "piecemeal but holistic" approach (2002: 162):

> Ecological damage always occurs in specific places. … Most governments are simply too big to be intimately acquainted with environmental degradation – and indeed with other problems – in each neighbourhood, or even [each] industrial subdivision or retail district. … The men and women who staff these local structures, nevertheless, know what is going on at the ground level, which is a necessary condition for the formulation of sensible regional environmental policy. However, it is not a sufficient condition, because many small governments – especially suburban governments – suffer from tunnel vision or feel that they benefit from new subdivision development.

The vision of community-based regionalism, as Fowler and Hartmann suggest, requires innovative, even bold political coalitions to move forward. The dialogue needs to start in a number of directions – the new regionalists working on economic development and environmental sustainability talking to one another about intersecting interests, and both making connections with the community builders working in distressed neighbourhoods.

The mutual understanding necessary for durable community and regional alliances will certainly not come easily, and it will also involve the development of shared understandings across all levels of government. The goal is to create what Michael Piore terms "communities of meaning," where "the role of public policy and political leadership is to orchestrate those conversations, initiating discussions among previously isolated groups, guiding them through disagreements and misunderstandings that might otherwise lead conversation to break off, introducing new topics for discussion and debate (1995: 138-139).

One important context for initiating such dialogue and engaging the actors is the governance institutions of city-regions. In Britain, for example, new structures and programs have been created at both the regional and community levels – the Regional Development Agencies and New Deal for Communities – to provide for a more integrated and comprehensive approach to "urban regeneration" (Roberts and Sykes, 2000: 313). In the United States, much concern is now focused on forging more informal networks to bridge socio-spatial divides across city-regions (Orfield, 1997; Rusk, 1999). The basic challenge is to find ways to put everyone on the same "map" – city and suburb, business and labour, social movements and citizens, local politicians and planning experts, and provincial and federal representatives (Pastor, *et al.*, 2000: 164; Collin 1997). In such governance matters, Canadian cities have also recently been the site of much experimentation.

4.2 Governance – Managing Our Coexistence in Shared Spaces

Community-based regionalism is a vision that seeks to cross boundaries within space, between classes and policy domains. As such, progress requires a shift away from traditional municipal government toward local governance, involving the collective capacity of public, private, and voluntary sectors to set directions and achieve policy goals (Graham and Phillips, with Maslove, 1998: 35). This is the process that Patsy Healey has aptly labeled "managing our co-existence in shared spaces" (1997: 3). The potential merits of involving civil society actors, and devolving decision-making authority to them, have been widely discussed. The partnership approach facilitates broad democratic participation that can generate more and better policy knowledge. It enables comprehensive and longer-term perspectives, while also promising more effective policy implementation, as ownership of problems and responsibility for solutions is shared by the stakeholders themselves.

At the same time, there is growing awareness of the complexities of these processes (Bradford, 1998b). There are risks of "governance failure" if representatives act mostly to defend constituency interests rather than exercise joint responsibility. Moreover, substantive power differentials between social actors are often an obstacle to developing a common strategic vision, and the varying capacity of different groups to participate – and represent the views of their constituencies – must be recognized and addressed. As well, there are a series of process management issues that require sustained attention. These range from the mundane (effective organization of meetings) to the complexities of negotiating group differences, aligning goals with strategies, determining appropriate delegation of responsibilities to stakeholders, and monitoring overall progress.

Most analysts agree that the daunting challenges of the partnership approach are best met at the local level, where spatial proximity allows repeated interactions conducive to social capital and increases the stake that all participants have in successful outcomes (Cooke and Morgan, 1998: 214; Andrew, 2001: 109). Healey (1997: 311) has summarized the case:

> Collaborative efforts in defining and developing policy agendas and strategic approaches to collective concerns about shared spaces among the members of political communities serve to build up *social, intellectual, and political capital* which becomes a new institutional resource. It generates a cultural community of its own, which enables future issues to be discussed more effectively, and provides channels through which all kinds of other issues such as recognition of the adverse social consequences of new economic tendencies, or knowledge about economic opportunities, or ways to reduce behaviours which are harming biospheric sustainability, may be more rapidly understood and acted upon. In this way, such a collaborative cultural community focused on the governance of local environments should also help to recreate a public realm [emphasis in the original].

In Canada, of course, it is provincial governments that ultimately determine the nature of regional governance institutions and the prospects for new political spaces that can connect talk to action, and translate vision into policies, plans, and by-laws. Many provincial governments have been active in restructuring municipal governments. New governance models are being tested. Amid much diversity in specific approaches and motivations across the provinces, a common theme has been to design arrangements that combine metropolitan-regional planning with community-based input. The trend has been away from the two-tier directly elected metropolitan structures of the early postwar period toward three alternatives (Sancton, 2002; Hodge and Robinson, 2001: 378-381):

1. Single-tier "mega-cities" forged through the amalgamation of municipalities, for example in Winnipeg, Halifax, Toronto, Ottawa and, most recently, several cities in Quebec including Montreal

2. Voluntary inter-municipal networking on an *ad hoc* basis through region-wide committees to decide specific infrastructure or planning priorities, as exemplified by Edmonton's Capital Region Alliance or Ontario's emerging inter-municipal Smart Growth Management Panels, and

3. Two-tier advisory structures, where a regional body coordinates or oversees the implementation of joint municipal strategies, as represented in the Greater Vancouver Regional District.

Not surprisingly, there is much controversy over the question of which of these governance models is preferable (Sancton, 2000; Bish 2001). Advocates of the mega-city stress its benefits for strategic economic development in the global context, allowing for rationalized "place marketing," streamlined planning processes, and an end to intra-regional competition for investment. Some also highlight the capacity for redistributing resources from richer to poorer neighbourhoods across the full expanse of the city-region.

Critics, however, protest the lack of public consultation or citizen participation that has been the preferred provincial approach to implementing such municipal fusions (Sewell, 2000; Hamel, 2001). They further dispute the efficiency benefits and decry the costs to democracy if barriers to community input and citizen access come to characterize these large scale, consolidated entities. These concerns about local "self-government" have taken particular forms in different places. In Toronto, central-city residents feared that the values and culture of their "pre-1950 city" would be overwhelmed by "alien" suburban attitudes of privatization and limited government (Sewell, 2000).

In Montreal, the debate took a linguistic turn. Many suburban anglophone municipalities feared loss of their linguistic rights and representation in the enlarged structure, while some francophones were afraid that French would become a minority language in the mega-city (Dutrisac, 2000; Sansfaçon, 2001; Bish 2001; Prémont, 2001). The language debate often hid another issue, that of taxes and services. Better-off cities, such as Outremont – the home of francophone elites – voted against the amalgamation as much as did Westmount. Here, the amalgamation critics point out the advantages of the other two governance models for managing diversity in city-regions. Two-tier structures or informal networking processes, it is claimed, allow for more pluralistic representation and inclusive decision-making.

Yet, concerns arise about whether the consensual models retain the authority to make hard decisions in the overall regional interest, allow for sufficient public accountability, or extend societal representation in informal alliances much beyond business interests. Patsy Healey, a strong advocate of collaborative, consensual governance, reminds us that the informal processes of discursive collaboration must "be buttressed by the power of law, and the definition of robust rights and duties, to force issues important to all stakeholders, and ways of thinking about them, into the political and policy arena and bring potentially reluctant parties to the arena of collaboration (1997: 196). In a similar vein, Rosabeth Moss Kanter (2000: 179) has drawn lessons from American cities, where the informal private networking processes have been most developed:

> Business coalitions have a clear and positive role to play in public-private partnerships, and they serve as a force for regional consciousness and action. But we should not embrace the private side of these partnerships to the neglect of the public side. Strong public sector leadership is essential to marshal the resources beyond the feasible contributions from individual corporations (who must serve their shareholders), protect the public interest, extend the dialogue to a wider array of institutions, and use the bully pulpit of campaigns and elected office to argue for a shared vision and agenda.

Debate continues to be heated in Canada about the relative merits of these regional governance arrangements. This is not the place to attempt to resolve the differences or adjudicate the positions. Table 3 captures the key features of these three governance models and their points of divergence.

Table 3. City-Region Governance Models

	Municipal Amalgamation	Two-Tier Regional and Municipal Partnerships	Inter-Municipal Cooperation
Institutional Logic	• Municipal consolidation in single-tier region-wide government	• Regional and municipal partnership in planning and implementation	• Inter-municipal consensus and regional public-private partnerships
Interest Representation	• Large elected council • Often civic parties and some "behind the scenes" provincial and national parties • Provincial policy direction through planning and financial approvals • Federal policy presence through funding agreements, program implementation, and land ownership	• Mix of elected municipal councils and appointed regional boards • Civic parties and informal coalitions • Provincial policy direction through planning and financial approvals • Federal policy presence through funding agreements, program implementation, and land ownership	• Mix of elected municipal councils and private sector stakeholder alliances • Non-partisanship is the norm • Provincial policy direction through planning and financial approvals • Federal policy presence through funding agreements, program implementation, and land ownership
Policy Dynamics	• "Command and control" integrated planning and implementation	• Upper-tier regional planning • Lower-tier municipal implementation	• *Ad hoc* agreement among municipalities and regional stakeholders on specific issues
Potential Strengths	• Authoritative and streamlined development planning • Region-wide equity in services and taxation	• Balance between local autonomy and regional needs • Broad consultation and "buy-in" for joint strategies	• Flexibility in service provision • Civic engagement in governance process
Potential Weaknesses	• Lack of citizen access, loss of community identity, and top-down decision-making	• Institutional complexity, conflict between tiers, and lack of transparency for citizens	• Fragmentation of services, unclear accountability, and unequal representation in stakeholder networks

In relation to the vision of community-based regionalism, there are some overarching issues that require thinking through as new governance models are implemented. Six challenges stand out. These are to:

1. Be inclusive of societal interests in governance networks, especially of underrepresented or marginalized populations

2. Use dialogue and consensus seeking processes for decision-making, while not compromising the authority and responsibility of elected officials to act in the "public interest" and to provide clear accountability to citizens

3. Provide mechanisms for linking regional planning to community-based inputs, and to find ways to respect local political cultures

4. Engage individual citizens, as distinct from organized groups, in planning processes

5. Cultivate across the city-region a "unity of purpose" or a "popular constituency for regional planning and other regional concerns," such that citizens and groups understand the important interdependencies in their local places among neighbourhoods, city centres, suburbs, outer suburbs, and so forth (Gertler, 2000: 51; Hodge and Robinson, 2001: 409; Savitch, *et al*., 1993), and

6. Recognize that the quality of collaborative governance also touches on some seemingly mundane issues about the physical planning of local places, such that there are public spaces actually available for dialogue and meetings, and that they are located such that public transit provides convenient access for all members of the region.

In sum, recent years have seen considerable change in the structures of local government in Canada. Provincial governments have not been reluctant to impose a variety of reforms on their municipalities. The trend has been toward designing new governance and partnership processes at the city-region scale. As we have suggested, under the right conditions, the result could be a general enhancement of democratic representation and planning capacities at the local level in Canada. A regional setting may be established for *social learning* across actors, sectors, and spaces in the city-region. Much depends on the design and workings of local governance processes, but also on a supportive public policy context supplied from above by the provincial and federal governments.

4.3   Intergovernmental Relations – Multi-level Collaboration

Discussions of community-based regionalism and collaborative governance are mostly about horizontal issues of networking and partnerships in local places. Equally important, are vertical relationships that link the city-region to upper level provincial and federal governments (Prime Minister's Caucus Task Force on Urban Issues, 2002). Municipalities are without constitutional standing and exist as creatures of the provinces. The growing significance of "local place quality" has focused attention on the structural gap between municipal resources and their responsibilities in matters crucial to national economic innovation, social cohesion, and environmental sustainability.

While at the local scale, regional planning and community involvement may be impressive, these processes must "scale up" to those levels of government where critical policy and financial choices are made. A number of proposals have now been brought forward, and two broad directions are evident.

On one hand, some seek a more independent power base for city-regions. There have been discussions among municipal actors about seeking constitutional recognition for a third order of government in the federation, for gaining much greater policy and fiscal flexibility under provincial Municipal Acts, and for creating Municipal Charters that would specify certain rights and protections for cities against unilateral offloading or downloading by upper level governments. Alberta and Newfoundland, for example, have recently granted municipalities broader powers and greater fiscal flexibility, and the British Columbia government has promised a new Community Charter that may grant unprecedented powers to municipalities with reference to revenue raising and the authority to act without prior provincial approvals (Federation of Canadian Municipalities, 2002). This powers-enhancing strategy has been invigorated by the recent Supreme Court decision upholding the right of municipalities to enact and enforce by-laws in certain areas of environmental protection, a decision which some city politicians view as a precedent for broader municipal regulatory activity to secure the "general welfare of citizens" (Monsebraaten, 2002).

On the other hand, the second course has been a concerted effort by the Federation of Canadian Municipalities and other representative bodies to bring a more spatial focus or urban policy lens to provincial and federal decision-making. An obvious expression of this shift would be the dedication of some portion of provincial and federal taxes to finance urban infrastructure. Some provinces already allocate revenues from gasoline, income, or sales taxes to their municipalities. It has been recommended that the federal government earmark its gasoline taxes for roads and public transit. Federal excise taxes on road fuels are currently about $4 billion per year, while annual federal expenditures on roads remain between $200 and $300 million (Golden, 2001). The intent of such proposals is to provide a stable, longer term funding base for cities to facilitate integrated planning in public transit, housing, and development.

Alongside the call for fiscal rebalancing, the Federation of Canadian Municipalities is calling for a different set of understandings and policy relationships among levels of government. It has proposed movement beyond "the culture of non-recognition and neglect" to one of "recognition and collaboration" (Federation of Canadian Municipalities, 2001b: 1). The essential message, in this case to the federal government, is straightforward. Given the pivotal role of cities in determining the quality of national life, municipal participation, or at least direct consultation, is appropriate in many policy fields. The issue is not simply one of helping municipalities cope with their responsibilities but, equally, one of ensuring that the macro-level policy interventions of upper level governments are sufficiently informed by the locality's *contextual intelligence* to work effectively. Moreover, all cities are not alike, and public policy supports, if they are to solve problems, must respond to the specific circumstances of individual cities.

Such multi-level collaboration is becoming more frequent than in the past. For example, federal initiatives for infrastructure and combating homelessness, while frequently criticized in regards to their funding levels, have been recognized by municipal leaders as "excellent examples" of collaborative processes (Federation of Canadian Municipalities, 2001b: 9). Support has also been expressed for the federal government's collaborative approach to local high technology initiatives in Smart Communities. In environmental policy, the federally financed Green Municipal Funds are viewed as innovative in a double sense – the federal government is supporting local sustainability projects, while also building an implementation partnership with a representative association, the Federation of Canadian Municipalities. Along similar lines, recent strategic funding agreements in eastside Vancouver and Winnipeg have been welcomed as they involve all three levels of governments working with local residents for sustainable communities and economic development (Federation of Canadian Municipalities, 2002). One policy field where this cooperation and consultation seems especially warranted is in human capital formation. Given the research of Richard Florida and others on the centrality of talent in the localized clusters of the new economy, there are solid grounds for involving cities in education and labour market planning.

There are several other issues important to productive multi-level collaboration among levels of government. Departmental or ministerial "policy silos" become obstacles to the kind of integrated problem solving available at the local scale. In other words, just as local governance processes work to bring together different networks "on the ground," from economic developers to anti-poverty activists, provincial and federal resource flows push them apart. One critic has remarked that "federal spending is uncoordinated and ghettoized in powerful federal departments. This is a recipe for duplication, waste, and frustration" (MacDonald, 2002). In their comprehensive discussion of urban and regional planning in Canada, Gerald Hodge and Ira Robinson elaborate the critique of government policy silos in relation to environmental sustainability (2001: 402):

> Each area is mandated by different legislation, each is governed by different ministries, and each is tended by different professions with different mind-sets and doctrines. All of this makes coordination difficult. A major step towards addressing this problem could be taken if federal and provincial governments would be willing to make regional planning mandates more inclusive and to remove the barriers between substantive areas within their own administrative structures.

In seeking an urban policy lens, then, the federal government will need to consider its own coordinating structures. Some have argued for coordination through a revived Ministry of Urban Affairs, while others prefer a less formal Cabinet committee mechanism (Gibbins, 2002; Federation of Canadian Municipalities, 2002).

Discussion of vertical policy silos points to another aspect of multi-level collaboration among governments in addressing urban challenges – federal-provincial cooperation. This issue cuts in two directions. First, federal and provincial governments must work together in the numerous areas where they share responsibility for the well-being of cities. While federal-provincial conflict and competition is endemic to the workings of the Canadian state system, strategic policy and durable financial partnerships in matters of great urgency for municipalities, such as affordable housing and public transit, would obviously benefit the residents of city-regions.

Second, the inter-governmental issue in cities also requires focused and sustained attention to the rights and needs of Aboriginal peoples. Despite mounting evidence of the deep social exclusion of many urban Aboriginal peoples, it has been observed that no "level of government has undertaken a full obligation for meeting their needs; neither has there been significant co-ordination or co-operation among the three levels of government" (Graham and Phillips, with Maslove, 1998:189). Suffice it to say that on matters of urban Aboriginal governance, our social knowledge of appropriate strategies and innovations remains underdeveloped. There is a clear need for intensive social learning and bold experimentation.

In closing, there are many public policy issues where local actors are developing the knowledge and networks to advance economic development, tackle social exclusion, and improve the quality of life for all citizens in city-regions. These processes need to be reinforced and supplemented by more supportive extra-local institutions. The widely recognized greater *policy significance* of localities in the current era of globalization and decentralization now must be matched, on one hand, by more *financial support* for implementing local initiatives and, on the other hand, by expanded *political space* for citizens to participate in meaningful debates about the future of their communities and regions.

4.4 City-Regions that Work – Research Priorities

This Discussion Paper has ranged widely across literatures and topics informing contemporary conversations about "why cities matter." It looked historically at shifting conceptions of "policy space" in Canada, as well as at different interpretations of the significance of "local places" to citizen well-being and national prosperity. In so doing, it also highlighted areas where further research would help move the debate forward. One evident priority is for statistical agencies to generate and make available to researchers more localized data sets that reach down to regions, cities, communities, and neighbourhoods. In addition, four substantive thematic lines of inquiry can now be identified.

Research Theme 1 – How Place Matters

1. How do local quality of life factors, such as social inclusion or an attractive environment, contribute to the capacity of city-regions to be economic innovators? Does the relationship identified by American researchers between talent, diversity, and dynamic economic clusters apply to Canadian city-regions?

2. How much scope is there for local actors to "grow clusters"? Is this an option available only to certain places already advantaged by more conventional locational factors for knowledge-intensive investment? To what extent can community economic development efforts supply meaningful new opportunities to the socially excluded?

3. How do "neighbourhood effects" work? What are the cumulative mechanisms that limit people's well-being in specific places? Why is the spatial concentration of poverty growing in Canadian city-regions, and how can a spatial focus be incorporated into national anti-poverty strategies?

4. Given the general pattern of concentrated poverty, homelessness, and social exclusion in certain urban areas, what are the strategies and mechanisms for joint problem-solving among *all* residents of the city-region? How can intra-regional cooperation between central cities – typically coping with pronounced social problems – and their prosperous suburbs be enhanced in matters such as tax-sharing, resource pooling, and socially-mixed housing?

5. What local programs and institutions can ensure understanding and tolerance among the many different ethnocultural peoples living in Canadian cities? What mix of services are most effective for immigrant settlement and labour market inclusion?

6. To what extent can municipal governments contribute to sustainable cities? What tools and strategies are available to reduce incentives to sprawling development?

Research Theme 2 – Urban and Regional Governance

1. How do each of Canada's three basic regional governance structures – single-tier mega-city, two-tier advisory, or informal inter-municipal networking – contribute to advancing the key goals of social cohesion, economic innovation, environmental sustainability, and democratic accountability?

2. How do the roles and responsibilities of the elected local official change as governance processes extend substantive participation in decision-making and planning to private sector stakeholders?

3. What lessons can be learned from ongoing experiences with collaborative governance in city-regions? How can partnerships be both inclusive of diverse urban interests and high performing in meeting the needs of citizens and communities? What are the risks of governance failure and how can they be minimized?

4. What are the democratic implications of the expanded policy relevance and potentially enlarged "political space" at the local level? Should political parties be encouraged to organize at the municipal scale to enhance responsibility and accountability, or is the non-partisan tradition more desirable?

5. How do city-regions learn? How do they generate or acquire policy knowledge? How can their policy capacity be improved? What is the role of umbrella organizations such as the Federation of Canadian Municipalities and provincial representative bodies in disseminating policy knowledge across locales, and in enhancing policy learning?

6. What processes and mechanisms will address the socioeconomic needs of urban Aboriginal peoples and issues of self-government?

Research Theme 3 – Multi-level Collaboration

1. What changes in inter-governmental finance are required to redress a growing imbalance in local resources and responsibilities? Are there lessons that can be learned from other jurisdictions in Europe or the United States that have made recent progress in this area?

2. What kinds of inter-governmental funding vehicles or mechanisms are most appropriate in meeting local needs? What lessons can be learned and applied more generally from the positive examples of collaborative or partnership initiatives such as the Green Municipal Funds or Smart Communities? To what degree should upper level government transfer payments and grants to municipalities be conditional or prescriptive?

3. How can the "silo" effect of federal and provincial policies and programs be overcome to support inclusive problem solving among diverse actors at the local level? What institutional mechanism – for example, a coordinating Ministry or a Cabinet committee – would best facilitate a new federal urban policy lens?

4. How much variation exists in provincial-municipal relations across Canada, as shaped by the legislative framework of Municipal Acts? Are there different models of "dependency and autonomy" emerging in provincial-municipal relations? How can these legislative frameworks be evaluated?

5. Given the importance of human capital and workforce skills in cluster formation and community economic development, what options exist to include local actors in federal and provincial education and labour force development planning?

6. How can the desire for greater local autonomy be balanced with the need for provincial standards and equitable opportunity across national political space?

Research Theme 4 – Comparative and International Studies

All of the above three themes would benefit substantially from a comparative perspective, both cross-national and domestic. Cross-national research is especially appropriate given the level of urban and regional policy activism recently evident in Europe, both in individual countries and at the European Union level, in relation to problems such as social exclusion in cities, inter-regional disparities, and urban sustainability. Issues of growing interest in Canadian cities, such as reinvestment in urban infrastructure and limiting spatial segregation, have long been the object of much policy-relevant scholarship in the United States.

Within Canada, comparative analyses of city-regions could shed important new light on all of the questions posed under our first three thematic headings. New knowledge would be generated about the impact of different municipal-provincial legislative frameworks, the workings of the different regional governance models, and the factors that lead localities to choose "contextually specific paths" in responding to the common challenges of economic globalization and political decentralization.

Finally, at the international or global scale, there is an emerging set of issues concerning the effects of trade and investment agreements on municipalities. Specifically, research is needed to shed light on whether or how the World Trade Organization's current negotiations on the General Agreement on Trades in Services (GATS) limit local regulatory authority. What are the implications for city planning and urban development if municipal regulations in zoning or commercial hours of operations are identified as trade barriers? How can the policy concerns of municipalities be conveyed in global forums?

4.5 Conclusion

This Discussion Paper has described the contemporary problems and prospects of Canadian cities. It has suggested that our cities stand at a crossroads. Choices must now be made about their future development and, for all Canadians, the stakes are high. In a globalized world, the quality of local places has become crucial to citizen well-being and national prosperity. Yet our cities, on the front lines in the search for innovative and sustainable solutions to the challenges of the global age, lack the means to contribute fully to the updating and redesigning of our physical and social infrastructures.

Today, it seems unlikely that an enduring resolution to the impasse will follow earlier patterns of "top down" policy centralization. There is little evidence that federal and provincial governments are about to reverse course and begin "uploading" responsibilities from municipalities. Indeed, this Discussion Paper's survey of literature and research findings confirm the need for thought and action in the other direction – to design collaborative governance arrangements and multi-level financial partnerships that value the contributions of local actors and embed their contextual intelligence into the wider policy frameworks of provincial and federal governments. As we have seen, there is no shortage of creative thinking and new social knowledge about the importance of local places and why cities matter now, more than ever, in meeting the challenges of the future. Canada's political history has been shaped by dynamic and successful projects for nation building and province building. What may be needed now are similar leadership coalitions to build inclusive city-regions as an essential foundation for a prosperous, sustainable society in the global age.

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Appendix A. Roundtable Summary

Introduction

The Roundtable began with a brief introduction by Family Network Director Jane Jenson on the main reasons that CPRN decided to embark on a research program on "Cities and Communities" and, therefore, to commission the Discussion Paper. She noted the rapidly growing interest in the problems and prospects of Canadian cities, and the need to bring conceptual order to a complex field of policy inquiry and action. In undertaking the work, CPRN's primary objective was, as the Discussion Paper states, "the clarification of major issues, differing perspectives, and central debates" about why cities matter to Canada. Mapping theoretical traditions and historical legacies, the paper aimed to provide "a baseline for further policy discussion" among experts and non-experts alike.

Roundtable participants were asked to address two principal issues. The first was to assess the adequacy of the Discussion Paper *as an analysis of "why cities matter."* The second was to reflect on the *public policy implications* of the rising concern with Canadian cities and to suggest *further urban-centered research directions* that CPRN or other researchers might pursue.

The Roundtable featured both plenary and small group discussions. In plenary, participants offered their assessments of the adequacy of the paper, and brainstormed the policy implications and research possibilities. In small groups, participants focused on one of the two central themes of the paper:

- Global Transformations: Economy, Society and Polity

- Bringing Place Back In: Analyzing the New Localism

Throughout the day, Roundtable participants made numerous key points that will be highlighted below. The goal of this Roundtable Summary is not to produce a verbatim account. Rather it is to organize the comments so as to reflect the general spirit of the discussion and the ways over the course of the day that participants addressed CPRN's two objectives of assessing the paper's adequacy, and identifying policy and research implications.

General Impressions of the Discussion Paper

In their overall assessments of the adequacy of the paper, the Roundtable participants identified a number of strengths, as well as areas requiring more clarity or specificity in presentation. In particular, there was appreciation for the scope of the paper and the breadth of topic coverage. A number of participants remarked on the concise manner in which the paper drew together major historical trends and theoretical perspectives in the evolution of Canadian cities. The detailed discussion of the four key analytical perspectives on the "new localism" – economic clusters, social inclusion, community economic development, and sustainable city-regions – was described as innovative and a potentially "powerful model" for understanding today's complex urban dynamics.

The Discussion Paper's analysis of "local place quality" in a global age was seen as a fruitful way to understand why cities matter more today. In short, the consensus was that the paper had achieved its core objective of imposing conceptual order on a rapidly evolving field. In so doing, the paper could help identify much needed common ground among the many different stakeholder groups in diverse policy communities presently debating the future of Canadian cities.

By the same token, the participants identified a number of issues meriting further attention. One key area of debate was about the *scale of action*. Does the notion of a "new localism" obfuscate the fact that solutions to the problems in cities inevitably demand extra-local interventions? Concern about the appropriate scale was raised as especially relevant in dealing with social exclusion. Several participants insisted that resolution of the manifold problems in troubled neighbourhoods depends on strategic policy action at the regional, provincial, and national levels. A concept such as the "new localism" could deflect attention from this fact.

A second issue of scale was raised by participants who wondered about the place of medium and smaller sized cities in the analysis. While there was agreement that the Discussion Paper's four analytical frameworks (economic clusters, social inclusion, community economic development, and sustainable city-regions) could readily capture the dynamics in Canada's largest cities, there was debate about their applicability beyond the so-called C-5 (Toronto, Vancouver, Calgary, Montreal, Winnipeg), and Edmonton and Ottawa-Hull. Were other models needed to understand the challenges and choices confronting medium and smaller sized cities? Some participants felt, for example, that the cluster strategy was not viable in many places outside the largest cities, while others pointed to resource towns and older industrial cities, or the more rural Niagara wine region, that also pursue such strategies. Others noted that problems of social inclusion or sprawling development, while certainly not absent in medium and smaller sized cities, take a different form there. Taking account of this variation among cities, it was agreed, was critical in devising any new urban strategies.

In turn, this discussion raised important conceptual questions about the nature of Canada's urban system, and the hierarchy among cities from the three largest city-regions (Toronto, Vancouver, Montreal) to Canada's two dozen other metropolitan areas with populations in excess of 100,000, and beyond to smaller centres. Are the challenges confronting the largest cities qualitatively different from those in medium and smaller sized cities, suggesting a disjuncture in the system, and therefore a need for different analytic frameworks? Alternatively, is the urban system better understood as a continuum where the same basic problems and challenges simply become more pronounced in larger cities given their greater size and complexity? Several participants observed that *all* cities are affected by globalization and that today many Canadian medium and smaller sized cities, just like their larger counterparts, are actively mobilizing to find a productive niche in the new environment. Here, it was also pointed out that local communities, in partnership with their governments, should not view globalization as an all-encompassing phenomenon that obliterates the capacity for political initiative and policy strategy.

In general, all participants agreed that answers to these questions would come only through further study of medium and smaller sized cities. In other words, a promising research strategy would be to probe the applicability of the paper's analytical frameworks to cities beyond the C-5.

Another recurring theme in the assessment of the Discussion Paper concerned the need for more analysis of the political factors shaping city life. This point was made in a variety of ways. Several participants sought greater clarity about the role of municipal officials in the new governance arrangements, specifically probing the degree to which they remain locked into what one participant termed a "passive, reactive mode," failing to make strategic use of the admittedly limited policy tools at their disposal. Others countered that the major political challenge for local officials was to get upper-level officials to recognize the problems in cities and to put urban issues on the provincial and federal policy agendas. Another participant raised the political dimension in a different context, observing that the Discussion Paper adopted a normative position that urban sprawl was undesirable without acknowledging that politicians, responding to what they perceive as citizen aspirations, often view such development positively. One participant summarized that, for better or for worse, Canadians continue to "live in the golden age of sprawl."

Finally, participants stressed the importance of distinguishing between "urban problems" and "problems in urban settings": Cities are the places where major challenges (and opportunities) come together, but they are not the cause of these problems and cannot be expected on their own to find solutions. Participants acknowledged that the Discussion Paper made this distinction but felt it important to emphasize because there is often confusion in the public and policy mind about this key distinction.

Jumping off from the mapping exercise of the Discussion Paper, a number of topics needing more research attention came to the fore. For example, research might focus on:

- The changing role of the business community in Canadian urban life. Some noted that business leaders appeared to have been more active in the late 19th and early 20th century city life than at present. Do economic restructuring, head office relocations, and plant shutdowns associated with globalization account for the diminished business civic activism?

- The challenges of diversity in larger cities. To what extent are these cities prepared to manage the ethnic, cultural, religious, and especially racial differences present in their communities?

- The changing demographics of cities, particularly the aging population of urban dwellers.

- The historical trends in municipal finance, in order to better situate the current fiscal unsustainability of cities.

Specific Commentary on the Discussion Paper: Small Group Discussions

For the two small groups, the rapporteurs brought back a summary of the discussion to the plenary session. While there was some overlap in the topics addressed by the groups, each brought forward its own key themes that became the basis for further dialogue among all participants. The main themes from each group are presented below.

Bringing Place Back In: Analyzing the New Localism

There was agreement that the four analytic frameworks (summarized in chart form in Table 2 on pp. 46-47) were well chosen and reflect the key policy mobilizations presently shaping the politics of many Canadian cities. But there was equally a desire to know more about the links between the conceptual frameworks and concrete action. As one participant noted, while all of the frameworks are "in play" in the City of Toronto, there remain complex questions about their actual implementation. To what extent is there constructive interaction among the different ideas and their advocates in policy communities? Is there a hierarchy among these projects in terms of the emerging policy priorities in cities? To what extent are the approaches tending to move through traditional policy "stovepipes"? Are they mutually exclusive or are there opportunities for "joined up" approaches?

In relation to these questions, the need for further case study research of ongoing experiments or innovations in cities was emphasized. One participant cited Richard Florida's work on the links between urban quality of life, especially appreciation of diversity, and economic clusters, as an example of the kind of empirical study needed in the Canadian context. It was also observed that each of the Discussion Paper's four frameworks implied a particular role for government and that it would be helpful to clarify these differing modes of policy intervention.

A number of more specific points were also raised about the "new localism":

- Community economic development is a process too often misunderstood by upper-level governments who are not sufficiently in tune with local contexts to enable progress.

- The need to recognize that different political constituencies and advocacy networks support each of these frameworks. The relationship among them is often competitive, and the implementation process will necessarily involve ongoing dialogue and negotiation.

Finally, there were two general issues raised by participants. First, the growing awareness of the significance of quality *local places* for addressing today's major economic, social and environmental problems presents an opportunity to integrate public policy and physical planning in a new strategic approach to cities. Second, progress will depend on the ability of the "new localism" to scale-up to higher levels of government where the jurisdiction and resources presently reside.

Global Transformations: Economy, Society and Polity

Participants acknowledged the significant influences of globalization on Canadian cities. At the same time, they stressed that globalization is a "two-way street" and that there remains considerable scope for local agency and community activism in fashioning responses to the pressures. Further, despite the talk of the "hollowing out" of nation-states, it was noted that federal and provincial governments still play a large role in urban life. Recent provincially mandated municipal amalgamations and the many federal expenditure programs accessed by urban citizens attest to the continued impact of the "senior" governments on city life.

Participants noted that cities were also "back on the agenda" thirty years ago, as reflected in the formation of a federal Ministry of State for Urban Affairs in 1971. At that time, the impetus was internal – a combination of pressure from cities and federal social policy activism more generally. By contrast, today's renewed concern is more externally driven as global competitive pressures force cities to adjust and technological innovations make them attractive sites for footloose investment.

A central question in the current juncture is whether Canadian cities have the capacity to play the strategic role that many observers argue is their destiny in the global age. In this context, participants stressed that local officials are rightly wary of assuming new responsibilities when resources are not attached to the transfer. It was pointed out that in British Columbia municipal leaders are concerned that the provincial government's proposed Municipal Charter may exacerbate the resource-responsibility mismatch. "Downloading" in Ontario makes life difficult for many of the municipal governments, both urban and rural.

Two further specific points were raised about the urban dimension of today's "global transformations":

- As globalization makes city spaces more important, there is an urgent need for new institutions and processes to link decision-makers across levels of governance (municipal, provincial, and federal).

- In developing such governance institutions for multi-level collaboration, it will be crucial to safeguard the democratic principles of accountability, access, and transparency. These principles, one participant reminded, have long been valued as a strength of local government.

Looking Forward (1): Public Policy Implications

Building on the day's discussions, participants looked ahead to the future. They began with a series of public policy reflections. Rather than address the specific content of policies, the group chose to emphasize more the need for new principles and processes to guide renewed government activism in cities. Key ideas included:

- Given the convergence of key economic, social, and environmental challenges in cities, public policy processes at the national and provincial levels now require an "urban lens." At a minimum, this means that top-down decision-making will be replaced by what one participant termed "inter-jurisdictional dialogue among equals," designed to align objectives across the levels of government. The key issue is to enable cities and their governments to manage the transition from local property servicing to a much broader policy role and set of responsibilities.

- Public policy for Canada's cities needs to recognize that there is no "cookie cutter" or one-size-fits-all approach. Several participants made the point that in the past, federal policy, in particular, emphasized uniform standards and rules, whereas today the challenge is to develop a set of principles about "what we want cities to be and then work through the processes to get there." It was also emphasized that people feel passionately about their principles and often disagree. As such, careful thought will be needed in the design of institutions and processes to find common ground.

- It was stressed that public policy dialogue about cities should not begin from a strict jurisdictional perspective, as this will reinforce the tendency of all governments to place issues in stovepipes and silos.

- The shift from government to governance in public policy making implies a much larger and more complex role for stakeholder groups. Various participants emphasized the importance of providing capacity building support to community groups.

Looking Forward (2): Research Directions

Participants made a number of imaginative and highly constructive suggestions for future research directions that CPRN might follow (many reinforcing or building on the research themes laid out in the Discussion Paper itself).

- A clear priority was greater understanding of the federal government's urban policy role and responsibilities. In this broad topic, three specific priorities were mentioned: (1) a stock-taking of the existing panoply of federal expenditures in cities, and an evaluation of their effectiveness and strategic coherence; (2) historical analysis of earlier periods when the federal government brought a spatial perspective to its policy making, most notably in the area of regional development. What lessons might be applied to the current need for an urban policy lens?; and (3) What institutional structure or mechanism would best facilitate design and implementation of a national urban strategy? Options include a coordinating ministry, cabinet department, and inter-governmental committee.

- Participants also recommended case study research cataloguing examples of "proactive policies" in municipalities. How had these communities mobilized and innovated? What were the obstacles and opportunities? It was suggested that the recent experiment with multi-level policy collaboration in East End Vancouver and downtown Winnipeg were promising candidates for study.

- As emphasized throughout the Roundtable, there was interest in further study of medium and smaller cities, testing on the one hand whether the "new localism" frameworks apply and, on the other hand, comparing urban dynamics in places beyond the largest cities in different provinces.

- There was a call for Canadian cities to replicate Richard Florida's American-based research demonstrating links between urban quality of life and economic innovation. Is the pattern Florida documents for American cities, where creative talent flows to places known for their tolerance and diversity, also evident in Canada?

- A suggestion related to Florida's work was for focused study of specific economic clusters in Canadian urban areas, specifically probing how they grow, and their viability in cities of different size and location.

- There is a need for more detailed research, both historical and contemporary, into the institutions of urban governance, and the degree to which different arrangements (i.e., single tier, two tier) supply the appropriate policy capacity to tackle the large-scale challenges in today's cities.

- If poverty is becoming more concentrated in certain urban neighbourhoods, what strategies are available to combat polarization and segregation in city-regions?

- Participants also sought greater clarity on the roles and contributions of the business community in effective urban governance. Has the current round of economic restructuring diminished the civic capacity of business and, if so, with what consequences for the social capital of our cities?

- As a corrective to the tendency to view globalization as an abstract force or inevitable constraint, it was suggested that it would be helpful to have an "empirical tracking" of the specific ways in which globalization's flows of capital or ideas or people concretely impact cities.

- In the context of socio-political relations among communities within city-regions, there was a call for research into the various expressions of "NIMBYism," and the role of political leadership in managing differences across regional spaces, such as inner-cities, suburbs, and edge cities.

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