Canada's Cities: Key To Healthy Economy, Society, Environment

Friday, June 21, 2002 – The quality of Canada's cities is of "pivotal" importance to our economic success in the global economy and to the strength of our society.

"Ensuring cities have the resources to perform their crucial role in national economic innovation, social cohesion and environmental sustainability, has to be a priority," says Neil Bradford, author of a major new paper on cities from CPRN.

Bradford's report, ***Why Cities Matter: Policy Research Perspectives for Canada***, is a review of the literature and experience in Canada and abroad concerning the conditions that turn cities into engines of economic growth and social well-being. It takes stock of our current knowledge and ideas about cities and clarifies major issues and debates about how they work, and how they might work better.

> While globalization is becoming well understood, localization has yet to be identified as the powerful transitional force it has become in our communities. This report is an important contribution to a much needed national debate.
>
> – Glen Murray, Mayor of Winnipeg

Canada is one of the world's most urbanized countries, with nearly 80% of its citizens living in cities. The fact that the seven largest metropolitan areas generate 45% of Canada's GNP speaks to the economic importance of our cities.

"The knowledge-intensive services that characterize the new global economy," says Bradford, "thrive in dense, localized labour markets, rich in human capital and personal interactions. It's the kind of environment only cities can offer."

But the economic success of cities is not assured. Knowledge workers and the companies they work for are footloose. They seek urban areas that offer an environment that breeds innovation, but also one that promises a high quality of life.

In that regard, cities are also places where the risks of social exclusion are greatest.

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Canada's poor are increasingly concentrated in, and within, cities. While the population in metropolitan areas grew by almost 7% between 1990 and 1995, the number of poor in the same areas grew almost 34%. The concentration of the poor in specific neighbourhoods gives rise to what Bradford calls the challenge of "managing cities of difference".

"There is an important link here between the economic success of a city and its success at breaking down barriers to citizen participation," Bradford argues. "Cities that make progress on both fronts at once have the highest quality of life and the innovative ideas and social networks that power the new economy."

Although cities are crucial to the country's economic competitiveness and social stability, they are poorly equipped to meet the challenges. And the down-loading of additional responsibilities from higher order governments during the nineties (usually without proportionate resources) has strained their capacities further.

In the past 5 years, federal and provincial government revenues increased 33.2% and 26.1% respectively. Local government revenues increased only 7.7%. Transfer payments from federal and provincial governments contribute only 18.7% of total municipal revenues, compared to 27% in U.S. cities and 31% in European cities. Canadian cities are more dependent on property taxes, a limited and less than ideal revenue source.

Bradford recommends more predictable fiscal tools for cities, commensurate with their increasingly important responsibilities. He also calls for enhanced local input in public policy-making, backed up by "multi-level collaboration across political scales" to replace the one-sided, and "place insensitive", decisions of higher order governments of the past.

"Our national interest in effective policies to ensure a strong economy, sustainable society and vibrant democracy demands nothing less."

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