Situating the new economy in Vancouver’s inner city.

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“The gale of creative destruction” Joseph Schumpeter

The gale of creative destruction in Vancouver

The new Woodwards rises from the ashes of the old in Vancouver’s Downtown Eastside
The new inner city
Vancouver’s Downtown Eastside

Tent city outside of Woodwards, October, 2002

Protest organised by Vancouver’s Anti-Poverty Committee, February, 2008
Purposes:

• To tell the story of Vancouver’s inner city new economy, but also its underbelly.
• To make a conceptual argument about the importance of geographical contingency in theorising.
The Theory

- Specificity and contingency are key.
- Richard Florida and Allen Scott provide useful theories about the new economy and the city.
- But both are weak on the role of macro and micro geographical contingencies.
For the first hundred years of Vancouver’s history the city core was staples manufacturing emphasising natural-resource-based processing and storage (eg., lumber and fish).
1. Post-staples Vancouver

Downtown Vancouver and False Creek, 1977

Downtown Vancouver and False Creek, 2007
2. Post-corporate Vancouver

- US resource corporations leave Vancouver from the late 1970s.
- MacMillan Bloedel head office reduced from 11 floors to 1 by 1999.
- Vancouver loses 30% of head office jobs between 1999-2005.
- Conversion of head offices into condominiums.

“The Qube” formerly known as “The Westcoast Transmission Building,” W. Georgia Street, Vancouver
3. Asia Vancouver

- Vancouver historically connected to Asia even before the beginning.
- 2006 18.2% of Metro Vancouver’s population is ethnic Chinese (3/4 born outside Canada), 9.9% S. Asian (2/3 born outside Canada).
- Business Immigration Programme: “a source of capital but also as pioneers of high technology and value-added production for export” (David Ley, 2003)
4. Mega project Vancouver

• The mega-project mentality
• By the state: Expo ’86 World Fair on the N. Shore of False Creek/
• By private capital: Concord Pacific (Li Ka-Shing and Victor Li).

From one mega project to another: Expo ‘86 to Concord Pacific (N. Shore False Creek)
Vancouver goes postindustrial

From the mid-1980s, Vancouver becomes increasingly a postindustrial city defined by a knowledge economy, and sharply differentiated cultural economic inner city districts.
Yaletown as an example

- 1980s Yaletown home to warehousing and prostitution
- Some old working class housing
- Homer Café
New Yaletown

Robert Jankiewicz

“Yaletown is the paté in the city’s inner city residential sandwich.”

Video game design, advertising and architecture = 26% jobs

Film & tv = 9% jobs
Yaletown’s new economy
Yaletown development

- Initially cultural industries drawn by heritage buildings and cheap rents
- But also commercial development
- And across Pacific Boulevard development by Concord Pacific of former Expo lands
- Little immediate dislocation but “shadow effects” on DTES and Strathcona

Concord Pacific Development, Yaletown
Yaletown’s significance

• Concurrent processes of industrial innovation and ‘social reconstruction’ = highest rents and property prices in the downtown (social mix: from ‘guard dogs’ to ‘purse dogs’ in the postindustrial city)

• Filtering effect of demand and price on the mix of industries and firms: inner city’s zone of intense experimentation, transition and succession

• Reterritorialization effects: from Yaletown (heritage designation 1986) to ‘New Yaletown’ (1991) to ‘Greater Yaletown’ (2005)
Victory Square

- A hundred years ago was centre of Vancouver’s commercial district
- Declined especially from WWII
- Re-emergence from the early 1990s because of film and tv industry + architecture
- Clear dislocative impact of the new economy, eg, the fall and rise of Woodwards

The new Woodwards
(Re)development trajectory

- Grittier’ inner city district (relative to Yaletown), on western edge of Downtown Eastside
- Traditional site of ‘outliers’ (former Enver Hoxha bookstore, now Spartacus Books, BC Marijuana Party)
- Important site for film industry, as well as architects, graphic artists, designers
- Lower rents have attracted start-ups and more marginal enterprises, as well as institutions and agencies
- Incremental change in the 1990s (nb draft Victory Square Plan 1995), but strong likelihood of acceleration effects over next decade
The Victory Square new economy
Decline and fall, and rise again of Woodwards, Vancouver Downtown Eastside

- Bought by province from Fama in 2001 $22m
- Sold to city in 2003 for $5m
- Cost of construction $300m
- City leased property to developers, Westbank Projects/Peterson Investment Group. City holds land title.
- Architect Gregory Henriquez
- Non-market housing operated by Portland Hotel Society and Affordable Housing Society

To be completed by 2009
Victory Square: the cultural economy and its discontents

- City’s policy shift: from ‘revitalization without displacement’ to a discourse of ‘industry, housing, the arts and culture’ in contemporary planning for DTES and the Hastings Street Corridor

- Victory Square as an element of the ‘juggernaut’ of inner city redevelopment in early 21st century Vancouver

- Insertion of the ‘new middle class’ and ‘creative class’ in the CBD Fringe and inner city = destabilization of marginal firms and low-income populations?
Conclusion

• Vancouver experience (including overview of processes + case studies) presents exemplar of macro-level structural forces and local contingency

New industry formation in the inner city influenced by rents + property market, but also shaped by a more extensive and complex set of interdependencies (see diagram, following slide)

• ‘place matters’, both for generative processes of industry formation and for the nature of effects in situ and externalities
Figure 2.1  Factors shaping the production economy of the "new inner city"