

# **Situating the new economy in Vancouver's inner city.**

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“The gale of creative destruction” Joseph Schumpeter

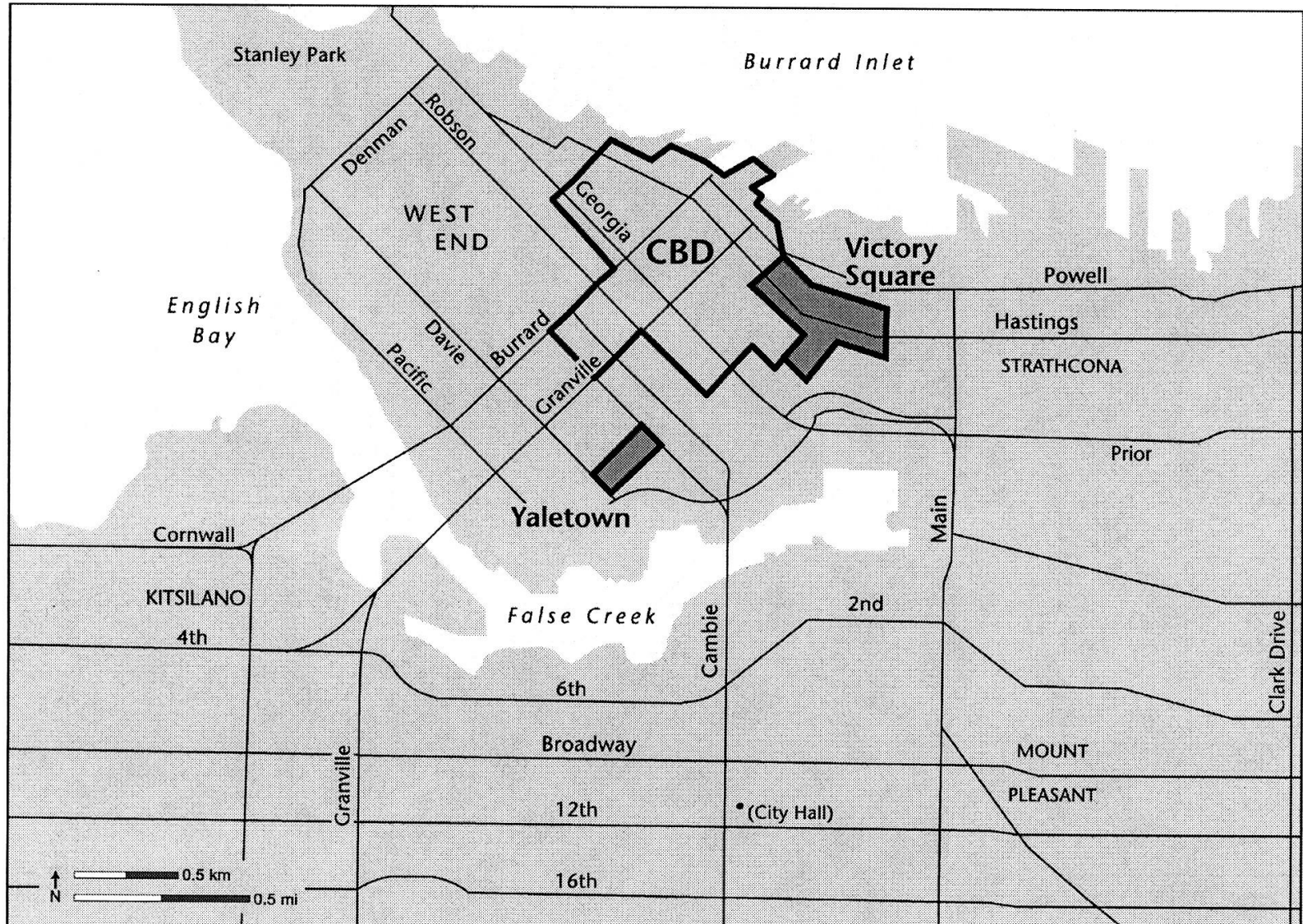


The gale of creative destruction in Vancouver



The new Woodward's rises from the ashes of the old in Vancouver's Downtown Eastside

# The new inner city



# Vancouver's Downtown Eastside



Tent city outside of Woodward's, 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.

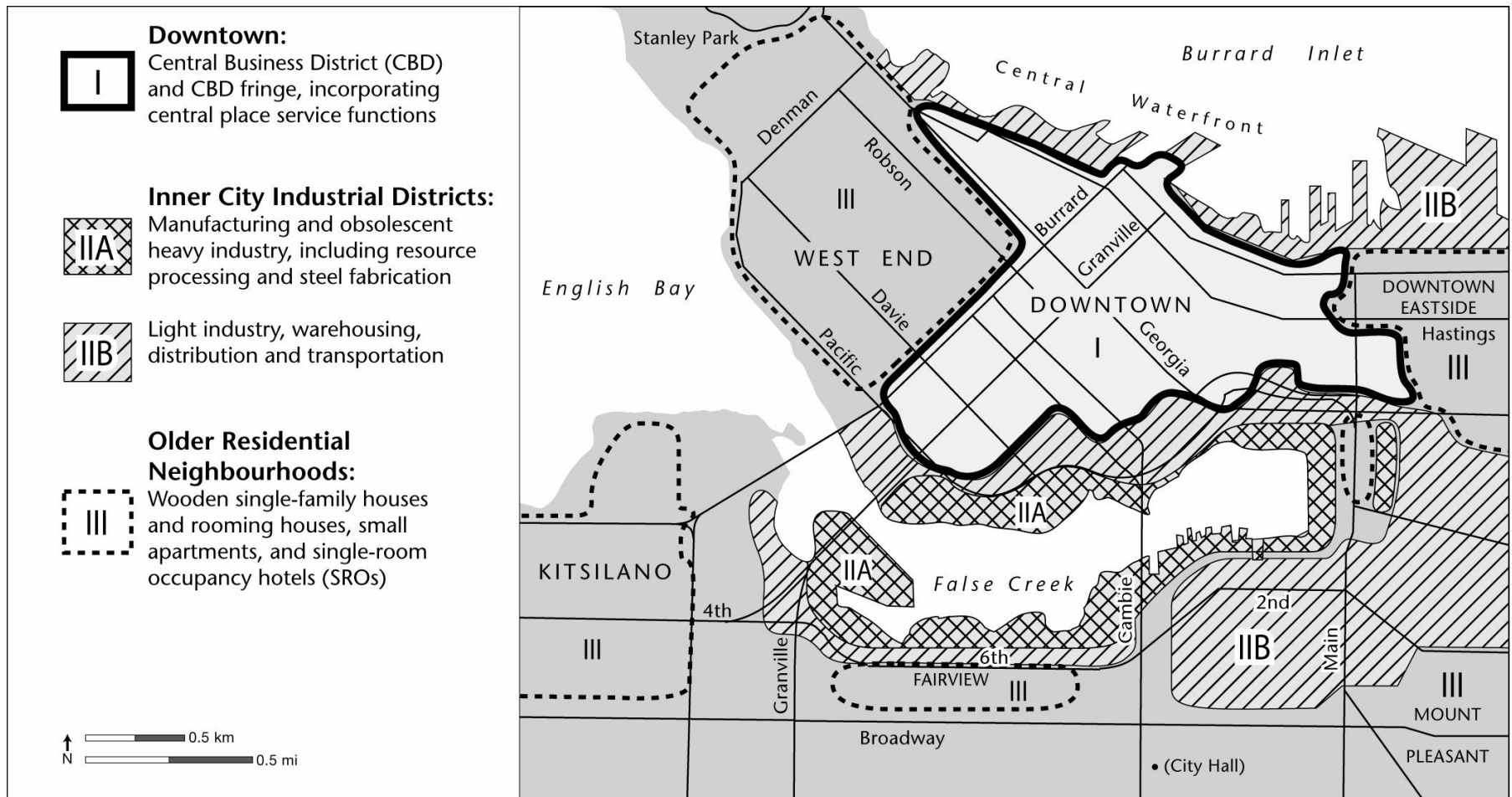


Allen Scott



Richard Florida

# Macro contingencies: Vancouver



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

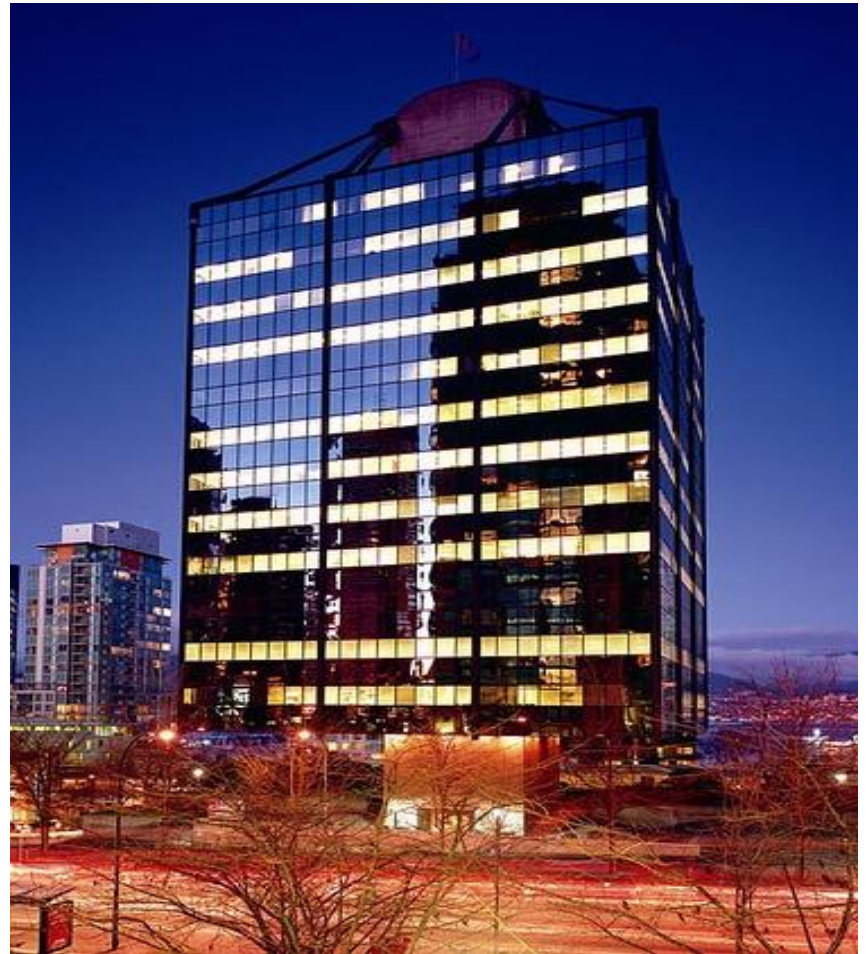


Downtown Vancouver and False Creek, 2007



## 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)



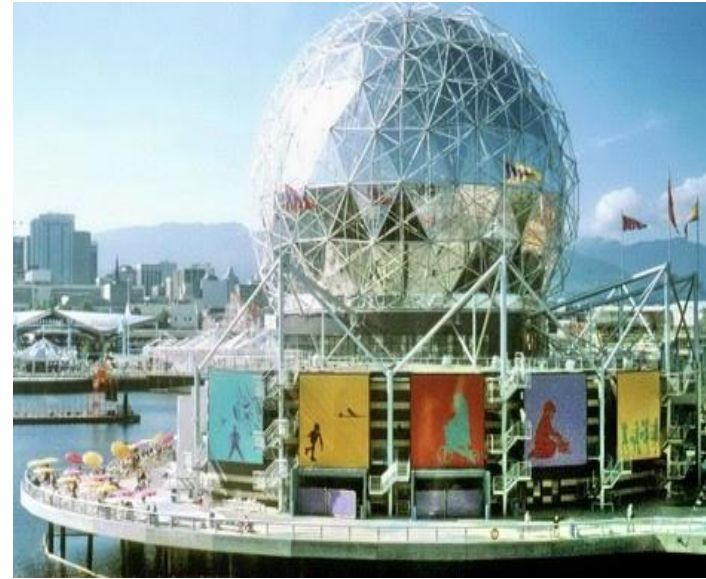
Punjabi market,  
Main and 49<sup>th</sup>,  
Vancouver



Chinatown, Main and  
Georgia, Vancouver

# 4. Mega project Vancouver

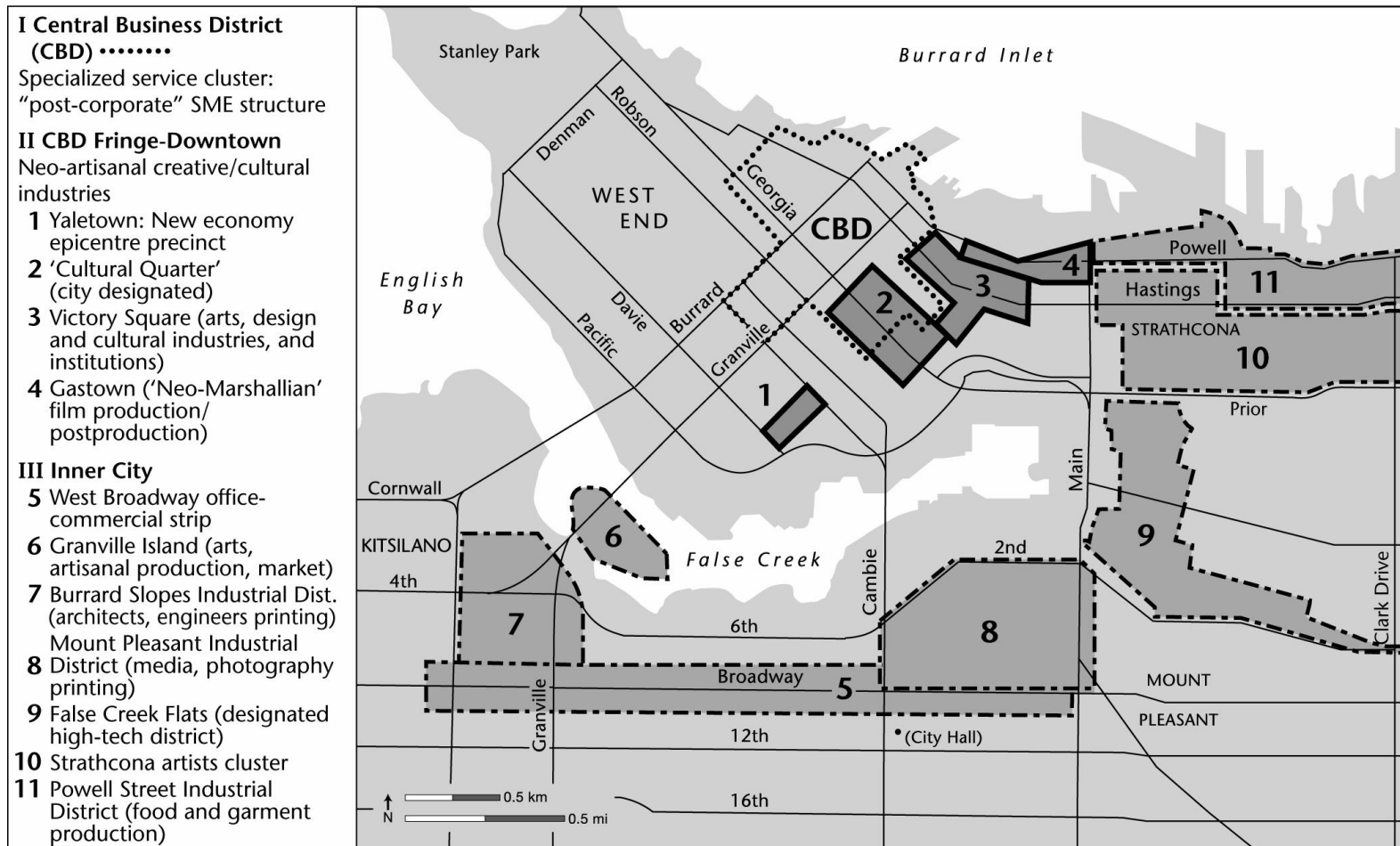
- The mega-project mentality
- By the state: Expo '86 World Fair on the N. Shore of False Creek/
- By private capital: Concord Pacific (Li Ka-Shing and Victor Li).



From one mega project to another: Expo '86 to Concord Pacific (N. Shore False Creek)



# Vancouver goes postindustrial



From the mid-1980s, Vancouver becomes increasing 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



Mainland Street, Yaletown

# New Yaletown

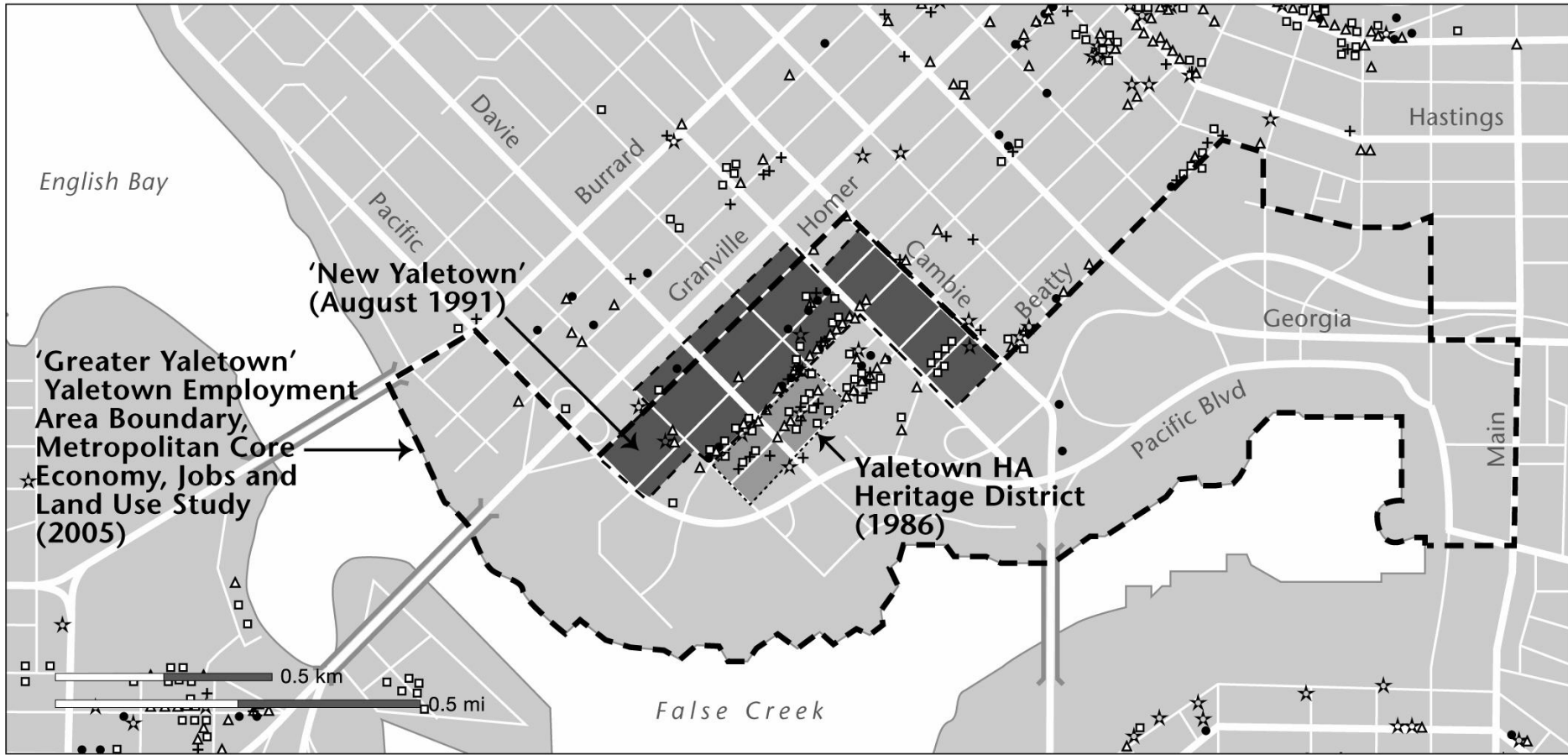
Robert Jankiewicz

“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

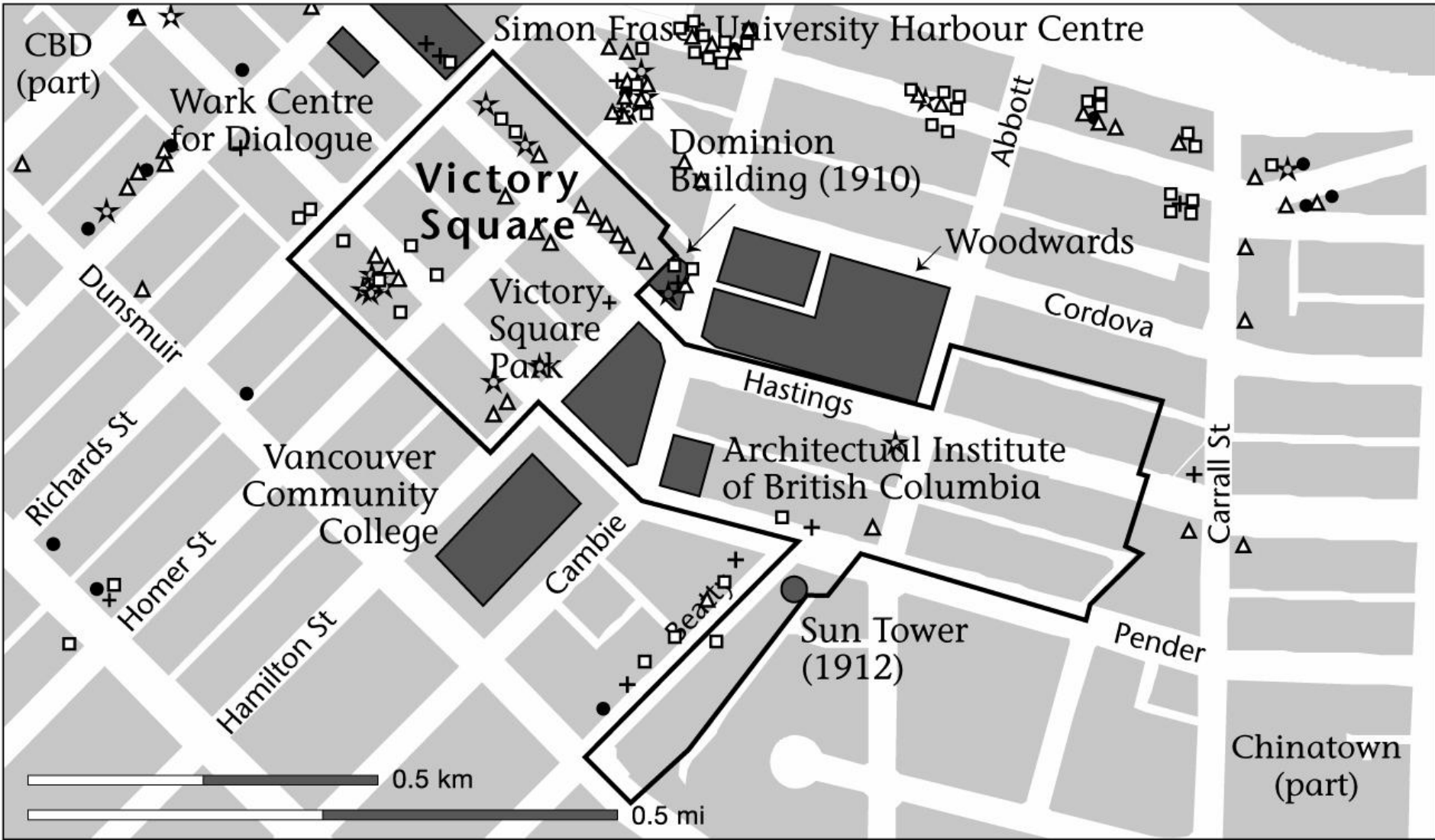
- A hundred years ago was centre of Vancouver's commercial district
- Declined especially from WWII
- Re-emergence from the early 1990s because of film and tv industry + architecture
- Clear dislocative impact of the new economy, eg, the fall and rise of Woodward's



The new Woodward's

# (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 Woodward's, Vancouver Downtown Eastside



To be  
com-  
pleted  
by  
2009

- 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

# 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 21<sup>st</sup> 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

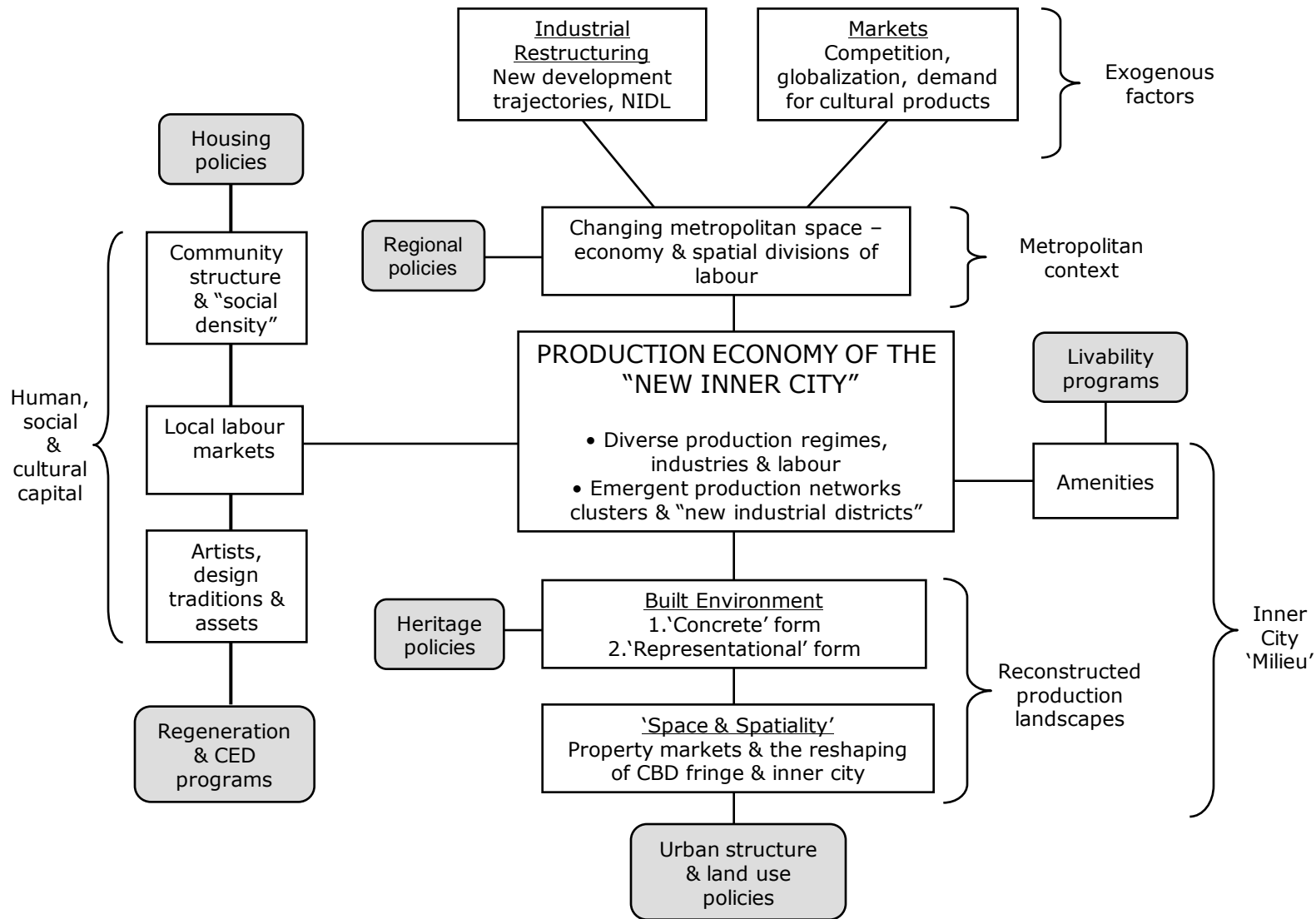


Figure 2.1 Factors shaping the production economy of the "new inner city"