

**A Tale of Three Cities:
Innovation, Creativity and Governance in
Montreal, Toronto and Vancouver**

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Introduction

Cities do not exist in isolation, but as part of the regional economy and society in which they are located, as well as in relation to other cities in the national economy and the national polity. The economic standing of an individual city and its long-term prospects are influenced by its relative position within the urban system—which is defined by its spatial relations with other cities but also by political factors, like the capacity to influence governmental decisions). The factors affecting the prospects for a particular city are not confined to its local, or even the regional context, but include a broad set of factors situated within the urban context at the world scale, and the context of the urban system at the national scale. Different sized cities play different roles in Canada’s urban system. A clear understanding of those differences is necessary for formulating effective economic development policies targeted at the level of cities. Each city in the urban system “represents a unique combination of population size, demographic structure, economic specialization, and rate of growth that together define the opportunities open to each resident.”¹

Competition between Toronto and Montréal for Primacy within the Urban System

If we examine the relative position of individual cities within the urban system more closely, we observe significant differences in their trajectory of economic development, as well as their relationship to their regional hinterland. The early development of Canada’s urban system can be traced to the competition for control and dominance over the St. Lawrence River waterway into the heartland of North America. Decades ago, the Canadian historian, Maurice Careless, described the economic history of Canada in terms of the commercial conflict between two competing metropolitan centres—Montréal and Toronto—for control over the trade of the St.

¹Larry S. Bourne and Jim Simmons, “New Fault Line? Recent Trends in the Canadian Urban System and Their Implications for Planning and Public Policy,” *Canadian Journal of Urban Research* 12.1 (2003): 24.

Lawrence River waterway and its continental hinterland. Throughout this period, both cities competed over access to the hinterland and sought to attract a larger share of new immigrants and inward investment. Down to the end of World War II, Montréal was the dominant urban economy in Canada, reflecting its initial locational advantages as the chief eastern port at a key juncture of the St. Lawrence-Great Lakes waterway, its growth as a railroad hub from the mid-nineteenth century onwards, its proximity to leading American urban centres (especially Boston and New York) and its control over the national capital markets. Prior to the 1960s, Montréal was the primary transportation and communications centre of the country and home to the largest companies in these sectors.

Toronto emerged to challenge Montréal's dominant position within the urban system after World War II, aided by the postwar economic boom that saw Canada's trading patterns shift from an east-west to a north-south basis and the inward flow of U.S. branch plants to the southern Ontario economy. In the early postwar period, Toronto's growth was stimulated by the transition from wartime to a peacetime footing and the influx of foreign branch plants into southern Ontario, many of which located their Canadian head offices in the Toronto region. Additional growth came from the emergence of aerospace, auto and telecommunication industries. This trend was reinforced by the signing of the Canada-U.S. Auto Pact in 1965, which stimulated the growth of the automobile assembly and parts industry in southern Ontario over the next three decades. The economic geographer Michael Ray argues that the growing predominance of American subsidiaries in southern Ontario in the postwar period can be explained by the 'economic shadow' concept, which is based on the relative distance between the U.S. city in which the corporate head office was situated and the Canadian location of its subsidiary. Using data from the 1960s, he demonstrated that Toronto provided the optimal market location for American subsidiaries and only eight out of 210 metropolitan areas in the

U.S., with head offices controlling Canadian subsidiaries, had more in Montréal than in Toronto.²

Toronto's lead over Montréal as the dominant city within the urban system was secured in the 1970s, when the conflict over Quebec's place in the Canadian federation accelerated the exodus of many leading financial institutions from the province. According to Polèse and Shearmur, the loss of financial and other higher order business services to Toronto accentuated the relative importance for the Montréal economy of industrial manufacturing, as well as more research-intensive sectors, like pharmaceuticals and aerospace, that benefited from high levels of research spending and supportive government policies. Toronto, in contrast, has increasingly become the Canadian city-region most specialized in financial and other sources of management information. It serves as the leading node integrating Canada into national and international networks. This translates into a spatial division of labour between the two metropolises.³

While Montréal and Toronto are the two largest cities in Canada's urban system, they are not the only important ones. Other hub cities within the urban system play a key role as providers of high-order or specialized services within their region, as the location of regional or even national head offices for key companies, as centres for the financial services, cultural-creative or media industries, or as critical nodes in the regional transportation network. Nowhere is this more evident than in the case of Vancouver, Canada's third major city. Vancouver differs significantly from the other two, indeed from most other industrial cities in North America, due to its economic origins as the regional metropole within the staples economy of British Columbia, based on the extraction and processing of resources in the fishing, forestry and mining industries. Within this regional economy, Vancouver served as a centre for the control and distribution of the staple goods produced by these industries. The influx of major U.S.

²D. Michael Ray, "The Location of United States Manufacturing Subsidiaries in Canada," *Economic Geography* 47.3 (July 1971): 389–400.

³Mario Polèse and Richard Shearmur, "Culture, Language, and the Location of High-Order Service Functions: The Case of Montreal and Toronto," *Economic Geography* 80.4 (2004): 329–50.

multinational corporations into the B.C. economy further consolidated Vancouver's role as the control centre for the provincial resource economy. From the mid-1970s onwards, as the leading staples industries in B.C. experienced recurrent contractions and secular decline, Vancouver's economy became decoupled from its resource hinterland and began the transition to a modern centre of the cognitive-cultural economy that bears a stronger affinity to other west coast cities in North America than to the more traditional manufacturing centres in the Quebec-Windsor corridor,⁴ asserting its integration and dominant position within a different economic and geographical project.⁵ Following the restructuring processes of the last quarter-century, the defining features of Vancouver's contemporary developmental trajectory take the form of gateway functions (commodity trade, flows of capital, culture, knowledge and information and tourism) which connect the region to the markets, cities and societies of the Asia-Pacific; and, secondly, a dynamic economy of innovation and creativity (including science-based research, biomedical applications, film and video production and other cultural and new media industries, niche-level R & D in electronics and other advanced-technology industries), concentrated within the metropolitan core and inner suburbs (Barnes *et al*, forthcoming).⁶

The Role of Large Cities in the Innovation Economy

While the general expectation is that the largest cities in Canada should display similar evidence of a more diversified economy, the industrial structures of Vancouver, Toronto and Montréal are actually quite different and they seem to be moving along different pathways towards the

⁴Trevor Barnes and Tom Hutton, "Situating the New Economy: Contingencies of Regeneration and Dislocation in Vancouver's Inner City," *Urban Studies* 46.5&6 (2009): 1252–55.

⁵(M. Sparke, *In the Space of Theory. Postfoundational Geographies of the Nation-State*. Minneapolis, University of Minnesota Press, 2005).

⁶Trevor Barnes, Thomas Hutton, David Ley and Markus Moos, 'Vancouver: restructuring narratives in the transnational metropolis', in: Larry Bourne, Thomas Hutton, Richard Shearmur and Jim Simmons (eds.), *Trajectories of Change in Canadian Urban Regions* (Oxford University Press).

development of a cognitive-cultural economy. Montréal and Toronto remain similar in terms of the underlying structure of their respective economies, with the exception of the higher end financial and producer services. Data from the 2006 Census of Canada show that the two largest cities are evenly balanced in terms of the proportion of their local economies based in manufacturing, which comprises 13.5 per cent of the labour force in both cities. Reflecting its historical role as a decision-making plus distribution metropole, Vancouver has a considerably smaller proportion (8.5 per cent) of its labour force employed in manufacturing. Furthermore, the location quotient (a measure of employment concentration) for manufacturing in Vancouver is only 0.71, well below the quotient of 1.13 for Toronto and 1.14 for Montreal.⁷ Toronto has a significant lead over both Montreal and Vancouver in higher order services, with 7 per cent of the labour force employed in the finance and insurance sector (and a location quotient of 1.72) compared to 4.8 per cent in Vancouver and 4.6 per cent in Montreal. Calgary and Ottawa, two other cities with populations of over one million, are much more specialized than the three leading ones, with 6.5 per cent of Calgary's labour force employed in mining and oil and gas extraction (a location quotient of 4.6) and 21.2 per cent of Ottawa's labour force employed in public administration (a location quotient of 3.7).

Vancouver's economy began to transition out of its traditional role as the regional metropole for the British Columbia resource economy in the 1970s as the traditional resource sectors, wood, fishing and mining began to wane. A major consequence of this decoupling was the decline in the amount of resource processing within the city, as well as a 30 per cent reduction in the number of jobs in corporate head offices – the only Canadian city to lose jobs in this category. The loss of corporate head offices was compounded by the migration to Calgary of

⁷ The location quotient is a measure used to determine the size of a particular industry in a given city or region. It is calculated by comparing the local share (most often of employment) of a particular industry against the national share of the same industry. The simplest way to interpret this is that a location quotient of 2.0 means that the industry is twice as predominant locally as it is nationally. Conversely, a location quotient of 0.5 means it is half as predominant locally as it is nationally.

the local venture exchange which had traditionally specialized in the financing of speculative mining companies. In its place, there was a dramatic increase during the 1980s in Vancouver's role as a destination for overseas investment and the migration of entrepreneurs from Taiwan and Hong Kong, which accelerated its integration into the broader economy of the Pacific Rim.⁸ The redevelopment of Vancouver's central business district and inner city as an area strong in new digital media, especially video games, and the related film industry has been reinforced by a number of emerging areas of strength in the broader metropolitan economy in biomedical research, wireless technologies, and suppliers to the fuel cell sector. Despite the different trajectories of development to reach this point, Vancouver shares certain features in common with trends observed in Toronto and Montréal. As Barnes and Hutton have noted, "Within the Canadian urban system, there are significant commonalities in terms of inner-city development both with Toronto and Montréal, with regard to the larger processes of industrial innovation, creative firm formation and the social reconstruction of the inner city."⁹

The Toronto urban economy has experienced four major eras of growth over the course of the postwar period. The first, from the end of World War II to the mid-1960s, was characterized by the rapid influx of foreign subsidiaries into southern Ontario and the expansion of the aerospace, auto and telecommunication sectors, as well as by substantial government spending on educational, physical and social infrastructure. The second era, from the signing of the Auto Pact to the Free Trade Agreement with the U.S. in 1988 was marked by an extension and deepening of those sectors which had taken hold in the earlier period, augmented by the flight of financial and business services from Montreal to Toronto. In the 1970s and 1980s,

⁸ David Ley, *Millionaire Migrants: Trans-Pacific Lifelines* (Oxford: Blackwell-Wiley, 2010).

⁹ Barnes and Hutton; J. Adam Holbrook and Brian Wixted, "Living on the Edge: Globalization of Emerging Technology Clusters in Vancouver," paper presented to the, 6th Asialics International Conference on Linkages in Innovation Systems: Global and Local Perspectives (Hong Kong, 2009); John N.H. Britton, Diane-Gabrielle Tremblay, and Richard Smith, "Contrasts in Clustering: The Example of Canadian New Media," *European Planning Studies* 17.2 (2009): 211–34.

Toronto emerged as the economic capital and corporate headquarters of Canada, as it supplanted Montreal's leading position in a number of key industrial sectors. The third era witnessed a dramatic restructuring of the branch plant economy in southern Ontario generally, and the Toronto region more specifically, following the introduction of both the Canada-U.S. and North American Free Trade Agreements. The impact of this restructuring compounded the effects of the technological changes that occurred from the mid-1980s onwards, leading to a dramatic loss of traditional manufacturing and clerical jobs and increasing income polarization in the city. The most striking indicator of the extent of change that occurred is the decline in the percentage of employment in manufacturing in the Toronto region, from 24 per cent in the 1981 Census to just 13.5 per cent in the 2006 Census (although note that Toronto leads all major Canadian and U.S. metropolitan regions in the proportion of the labour force employed in manufacturing).¹⁰

While some sectors, such as autos, aerospace and telecommunications, continued to expand in the late 1990s and early 2000s, the third era of postwar growth also saw the rapid expansion of the creative and cultural industries, including film, television, live theatre, music, fashion, design and publishing, along with the continued expansion of financial services. Toronto's business and policy community now aspires for the city to become a 'world' or 'global' city that will take its place alongside London, Paris, Singapore, Tokyo, New York, etc. Toronto's position in the various international rankings of cities is always a cause for happiness or alarm. World city status is regarded as highly beneficial in that it implies attractiveness for investment, high value business services, and footloose talent. A key component of Toronto's global-oriented economic development strategy is to compete on creativity, on the grounds that "the generation of economic value in a growing number of sectors depends directly on the ability of firms to embed creativity and cultural content within the goods and services they produce." In

¹⁰ Mario Polèse and Jim Simmons, 'Canadian Cities in the Global Context', Chapter 2 in: Bourne, Hutton, Shearmur and Simmons (eds.) 2010

this project, competitive domestic media industries are key assets not only as wealth creators, but also as branders and shapers of perception.

The period since the late 1990s has been labelled the Fourth Era in Toronto's postwar economic growth. Demarcated by the amalgamation of the municipal government into a unified structure in 1998 and the growing integration of the urban core within the broader regional economy, it marks the emergence of Toronto as a leading cognitive-cultural economy. Gross Domestic Product for the Toronto Census Metropolitan Area (CMA) was \$262 billion in 2005, accounting for more than 20 per cent of the total Canadian economy. Between the 2001 and 2006 Census, total population grew by more than 9 per cent, employment increased by 27 per cent between 1996 and 2006, and average employment income increased by almost 6 per cent. In regard to financial and higher order business services, Toronto has a significant lead over other Canadian cities, with 28.2 per cent of its labour force in this sector, compared to 22.6 per cent in Montréal. Other dynamic sectors include information and communications technology (including new media), biomedical and biotechnology, fashion and design, aerospace and automotive, tourism and the cultural-creative industries. Particularly noteworthy is the dense concentration of both ICT and financial services in the regional economy. Toronto clearly benefits from the presence of a highly diversified regional economy that is contributing to its development as a 'Schumpeterian hub' of innovation and creativity. While the current recession will slow the overall pace of its growth, the decline of key manufacturing industries is accelerating the transition to higher order business and financial services and the creative and design industries.

Montréal's economy remains more heavily weighted towards the manufacturing sector relative to business and financial services than either Vancouver or Toronto. During the late 1980s and early 1990s Montreal underwent a major restructuring of its traditional manufacturing industries and those industries related to its role as a rail transportation hub, which pushed the unemployment rate up to 6 percentage points higher than the Canadian average by the mid-

1990s. As shown by Fontan, Klein and Tremblay ¹¹, the economic reconversion of this period laid the basis for a subsequent expansion after 1997 when the region emerged as a major centre for knowledge-intensive industries, such as aerospace, biopharmaceuticals and information and communications technology, which are among its primary exports, and which supported the Montreal economy in the recent crisis of 2008-10 (these sectors having been less hurt than the auto sector).

Evidence indicates that after a lengthy crisis, the Montreal metropolitan region started converting to the knowledge-based economy.¹² The representatives of the business community and of the main private and government institutions shifted towards the development of high technology businesses. One of the elements which sparked the adoption of this strategy was the task force created by the federal government in 1985 and chaired by Laurent Picard, a well-known figure in the university community. The report contained a strategy that encouraged private leadership, internationalization and the development of high-technology sectors (telecommunications, aerospace, biopharmaceuticals, information technologies and microelectronics). These objectives were implemented at the metropolitan level.

The transition to this new economy occurred quite naturally in some suburbs, which successfully developed «technopolitan» strategies, as they specialized in high-value-added and high-tech sectors such as aeronautics, aerospace, pharmaceuticals and multimedia.¹³ However,

¹¹ See Fontan, J.-M., Klein, J.-L., Tremblay, D.-G. (2005) *Innovation socioterritoriale et reconversion économique. Le cas de Montréal*. Paris, L'Harmattan, collection Géographies en liberté, 169 p.

¹² FONTAN, J.-M., KLEIN, J.-L., TREMBLAY, D.-G. (2005) *Innovation socioterritoriale et reconversion économique. Le cas de Montréal*. Paris, L'Harmattan, collection Géographies en liberté, 169 p. ; KLEIN, J.-L., MANZAGOL, C., TREMBLAY, D.-G. et S. ROUSSEAU (2005) « Les interrelations université-industrie à Montréal dans la reconversion à l'économie du savoir ». Dans Régis Guillaume (Dir.) *Les systèmes productifs au Québec et dans le Sud-Ouest français*. Paris, L'Harmattan, pp : 31-54.

¹³ Klein, J.-L., Tremblay, D.-G. et J.-M. Fontan (2003) « Systèmes productifs locaux et réseaux productifs dans la reconversion économique : le cas de Montréal ». *Géographie, Économie, Société* (Paris, Elsevier) Vol.5, N.1. pp : 59 – 75 ; Tremblay, D.-G., Klein, J.-L., Fontan, J.-M. et S. Rousseau (2003) Proximité territoriale et innovation : une enquête sur la région de Montréal. *Revue d'Économie Régionale et Urbaine*, (Bordeaux 4, IERSO) Num. 5, pp : 835-852

some districts, especially the city's first industrial areas on the periphery of the Central Business District, were hard hit by the effects of this change. The relocation of the industrial sector out of these areas triggered all the problems associated with social and urban restructuring, and residents experienced major economic and social problems: unemployment, low incomes and population loss. The recognition of these problems inspired an innovative reaction from Montreal's social actors. It was difficult for the actors to work towards the socio-economic revitalisation of their districts by using traditional collective actions, so they turned to actions that emphasize local actors working in synergy. The central goal of this strategy was to promote the partnership between the actors in their districts. Their aim was to get actors to work together and to implement partnership-based development projects, which allows actors to make contact with each other and to identify common goals in order to create jobs and to improve local employability. At the same time, since the early 1980s, unions adopted a converging strategy, transforming them into important development actors creating investment funds and tools to prevent plant closures and create jobs. They jointly developed, with management and government organizations, recovery plans for firms experiencing difficulties, thus suggesting a determination on the part of the unions to participate in economic and business governance. The convergence of the knowledge economy reorientation and the integration of civil-society based actors as stakeholders of the economic development have triggered a process of economic reconversion that started giving results at the end of the '90s .

In 2001, an important process of municipal and territorial reorganisation also occurred in Quebec. In the case of Montreal, the merging of some municipalities reinforced the metropolitan role of the city. At the same time, a new organisation was created, i.e. the *Communité métropolitaine de Montréal* (CMM). This organisation, whose role was to deliver some services at the metropolitan scale, also received mission a mandate to adopt a more global development

strategy. The CMM confirmed the strategic importance of the manufacturing and knowledge-intensive sectors/clusters where the region has demonstrated a strong export capability, as well as several associated with the creative-cultural industries (City of multimedia, film, animation, modern circus, etc.)¹⁴. The strategy focuses on four groups of clusters within the regional economy—three of which fall primarily within the manufacturing sector, while the remaining group includes a range of activities more often associated with the creative sector of the economy, including film, culture, tourism and services. Overall the patterns of innovation and knowledge flows supported by the strategy tend to follow existing linkages and relations within existing sectors and clusters, rather than promoting cross-sectoral and cross-cluster lines of convergence that are frequently associated with the benefits of a large and diversified urban economy, although this appears to be beginning in a few sectors, such as film animation, special effects and multimedia.¹⁵ Despite the strengths of Montreal’s economy, a concern has been raised that the strong sectoral orientation of the strategy is focused on reinforcing existing strengths and patterns of knowledge flows, rather than promoting the cross-sectoral knowledge flows that are generally recognized as one of the benefits of a large and diversified urban economy.¹⁶ Montreal fared better than others, partly because of this diversification, but also

¹⁴ Tremblay, Diane-Gabrielle et Elisa Cecilli. (2009). The Film and Audiovisual production in Montreal: challenges of relational proximity for the development of a creative cluster. *The Journal of Arts Management, Law, and Society* vol. 39, no 3. Pp. 157-187.

Tremblay, Diane-Gabrielle et Thomas Pilati (2008). The Tohu and Artist-run Centers: Contributions to the Creative City? In *Canadian Journal of Regional Science*. Vol. 30, no 2. Pp. 337-356.

Britton, John , Diane-Gabrielle Tremblay and Richard Smith (2009). Contrasts in clustering: the example of Canadian New Media. In *European Planning Studies*. Vol. 17, no 2, February 2009. 211-235.

<http://www.informaworld.com/smpp/content~content=a908220372~db=all?jumptype=alert&alerttype=author,email>

¹⁵ See Tremblay and Cecilli (op cit).

¹⁶Diane-Gabrielle Tremblay and Juan-Luis Klein, “Innovation and Clustering in Montreal: Between a Product-Oriented and a Competence-Oriented Approach,” Paper presented to the 11th Annual Conference of the Innovation Systems Research Network (Halifax, N.S., 2009).

because of the presence of civil society based stakeholders whose mission is to favour local development and to implement a more inclusive form of governance.¹⁷

Creative Industries and Creative Occupations in Canadian Cities

In order to shed light on the contribution of talent and creativity to innovation and growth in Canadian cities, it is helpful to sort out whether creative occupations or creative industries have the most important effect. Recent discussions suggest the two tend to develop together in a cumulative and mutually supportive spiral. In other words, creative industries, like many others, follow a historically conditioned pattern of development and it is important to understand how the prior development of the cities in which the creative and cultural industries are rooted most strongly laid the groundwork for their development. Why do creative industries develop in specific locations at specific times and how does the urban geography of those locations shape and condition the way in which the industries develop? The concentration of creative and cultural industries Canada's largest cities—particularly Vancouver, Montréal and Toronto—did not emerge out of the blue, but is grounded in a range of similar and related industries in those three cities.

Recent work by both Statistics Canada and members of the ISRN underlines the extent to which the cultural industries in Canada are concentrated in Canada's larger cities. The three largest urban centres, Toronto, Montréal and Vancouver accounted for 64 per cent of all cultural workers in the country in the 2001 Census, while the three cities made up only 52 per cent of the

¹⁷ Klein, Juan-Luis, Jean-Marc Fontan and Diane-Gabrielle Tremblay (2009). Social entrepreneurs, local initiatives and social economy; foundations for an innovative strategy to fight against poverty and exclusion. In *Canadian Journal of Regional Science* Vol. 32, Num. 1, pp: 23-42

Klein, Juan-Luis, Diane-Gabrielle Tremblay and Denis Bussièrès (2010). Community Based Intermediation and Social Innovation. A Case Study in Montreal's Apparel Sector. *International Journal of Technology Management*. Vol. 51 No. 1, pp: 121-138

On CMM strategy, see: Communauté métropolitaine de Montréal, *Charting Our International Future: A Competitive Montreal Region*, Economic Development Plan (Montreal: CMM, 2005).

total national labour force.¹⁸ Researchers from the Innovation Systems Research Network examined the role of creative and cultural clusters in Ontario using the broader definition of industrial clusters discussed earlier in this chapter. Ontario's creative, cultural and new media industries employed 224,195 people in 2001; and this workforce is primarily an urban one with eleven cities in the province accounting for 87 per cent of the workforce. Furthermore, the workforce is overwhelmingly concentrated in Toronto, which accounted for almost 60 per cent of creative and cultural workers in the province, as compared to only 42 per cent of the overall provincial workforce.¹⁹

There are strong synergies among the industries associated with the creative and cultural economy which share a common focus on the importance of design. These include more well-established industries such as architecture, industrial design, fashion and clothing, jewellery, advertising and even consulting, as well as some of the industries related to the new economy, such as software design, computer graphics and imaging, digital media, the production of video games, and a range of support services associated with the rise of digital technologies and the Internet. The notion of design conveys a strong sense of the element of creativity but also “carries with it a manifestly industrial application both in its contemporary and more historical applications.”²⁰ Equally important is the linkage embodied in these industries between consumption, innovation and design of new creative products, whether they are material or artistic. While these industries are not tied directly to traditional cultural industries (such as book and magazine publishing, film and television production, music and sound recording), they share

¹⁸David Coish, *Census Metropolitan Areas as Cultural Clusters*, Catalogue No. 89–613-MIE-No. 004 (Ottawa: Statistics Canada, 2004).

¹⁹Tara Vinodrai and Meric S. Gertler, *Measuring the Creative Economy: The Structure and Economic Performance of Ontario's Creative, Cultural and New Media Clusters*, Report Prepared for the Ontario Ministry of Culture (Toronto: PROGRIS, University of Toronto, 2007).

²⁰Tom Hutton, *The Geography of Design in the City* in: Grete Rusten and John Bryson (eds.) *Industrial Design, Competition and Globalization* (London: Palgrave Macmillan, 2009).

certain key sensibilities, and are attractive to similar kinds of personalities, namely individuals who comprise the greater proportion of the creative class.

The tendency of this range of design, creative and cultural industries to exhibit distinctive spatial tendencies, similar to the more traditional technology and science-based clusters, is a defining feature of the urban core in Canada's larger cities. Proximity to market leaders, access to a common pool of talent, and linkages to local customers and suppliers have all been identified as being reasons for co-location. There are, however, some important differences between traditional technology-based industries and those in the creative and cultural sectors. Foremost is the nature of the innovation process itself; innovation in the creative and cultural industries is primarily fuelled by the process of design in the form of fashion, architecture or industrial products, as well as through the creation of content which is then brought to market through a particular medium, such as publishing, sound recording, film, television and digital media. While new process innovations may also provide an important source of value for these industries, the process of creating original content for each of the different media is central to the creation of value in these clusters. Developing, attracting and retaining creative talent is thus critical, as are the social and institutional aspects of the clusters that support the development of this talent pool.

The urban geography of the creative and cultural industries displays distinctive characteristics in the tendency to locate in similar parts of urban centres, particularly the inner-city area, close to, but not directly in, the central business district, of Canada's largest cities. These industries tend to locate within the core of larger urban centres, in areas that were often home to traditional manufacturing, or in Vancouver, warehousing, industries. As these industries have been restructured and reconfigured through the adoption of new labour-saving technologies and the relocation of their lower cost and more labour-intensive aspects of production to offshore sites, they have opened up new urban spaces for development and exploitation by industries associated with the cultural and creative economy which share a strong emphasis on design.

Artists often play a key role in the rediscovery and development of these older underutilized and undervalued neighbourhoods within a city. The movement of artists into these parts of the city is often followed by other creative activities that take advantage of the low cost and easily adapted space in these neglected buildings.²¹

This allows them to take advantage of relatively cheap, easily accessible and highly flexible space in the form of old abandoned factories and warehouses that are being reconfigured for use in the design and creative industries. These districts can be found in different parts of the three largest cities. Creative, cultural and design-intensive industries are drawn to this part of the larger cities by a number of related factors, including: the availability of a highly skilled supply of labour, especially the presence of a strong contingent of both artists and workers with the skills required by the specific industries, the combined attraction of highly adaptable space and relatively low cost rents in the reconfigured industrial buildings, and the proximity of these new industrial districts to some of the leading cultural institutions and attractions of the inner city as well as the vibrant nightlife of the downtown core. This was observed in Montreal, where the Multimedia City pushed out artists who then went to Mile End, where many artists find low rents for lofts and where many artists' centers now thrive.²² However, some will indicate that Montreal is a good place to incubate an artistic activity, but the market is smaller than in New York or Europe, leading the most prominent artists to eventually leave for more important markets.

Vancouver's urban core, in neighbourhoods such as Yaletown, Victory Square, Gastown and the cultural district, has gradually been redeveloped as an area devoted to the emerging economy of cultural production, with an emphasis on software development, computer graphics and design and related digital video games.²³ Toronto's creative and cultural industries represent

²¹Meric S. Gertler, *Creative Cities: What Are They For, How Do They Work, and How Do We Build Them?* Background Paper F/48 (Ottawa: Canadian Policy Research Networks, 2004).

²² Tremblay and Pilati (op cit).

²³Barnes and Hutton.

a significant proportion of the urban economy, employing 133,000 people in advertising, architecture, film and television production, performing arts, sound recording, specialized design, software and new media, with much of this employment concentrated either in the downtown core or in adjacent districts stretching from lower Spadina Avenue along King Street West to Liberty Village.²⁴ Montréal retains a strong role as a leading centre for fashion and design, located in neighbourhoods such as the Mile End district, and is also prominent in a wider range of cultural industries, due its central position as the home to French language productions, and its recent development as a key centre for digital media.

Detailed case studies of the fashion industries in Toronto and Montréal note some similar features. Interviews with both fashion and graphic designers in Montréal's Mile End neighbourhood illustrate how important it is for people in these occupations to be located in a culturally rich and open environment which contributes to a sense of experimentation. The Mile End neighbourhood consists of a rich mix of successive waves of new immigrants into the Montréal economy. Housed in a former industrial neighbourhood that went through a period of significant decline in the 1980's as Montréal lost many of its former industries, Mile End has subsequently been reborn through an influx of students, artists, writers, and musicians who provide the creative focus that has attracted designers workshops, fashion boutiques and design galleries to the area.

The Montréal case highlights the importance of the same set of factors that have contributed to the vitality of the other inner-city districts in Vancouver and Toronto: a compact and tightly constrained district, with easily adaptable space in heritage buildings located close to attractive cultural and creative venues. The aesthetic of an older architecture in these neighbourhoods provides a creative stimulus for designers and other artists. The character of these inner city neighbourhoods also reinforces the tendency for people working in the fashion or

²⁴Meric S. Gertler, Lori Tesolin, and Sarah Weinstock, *Toronto Case Study*, London-Toronto Strategies for a Creative City (Toronto, 2006).

design industries to co-mingle with musicians and other bohemians,²⁵ as is the case in Montreal's Plateau and Mile End. A related point was made in a recent study undertaken for Culture Montréal which found that the artistic and cultural environment in Montréal generally serves to attract more technical workers who enjoy the quality of the nightlife and the energetic atmosphere the city has to offer, although some research tends to indicate that the job market is the first reason for localization in Montreal, the other amenities not necessarily always being so significant for technical workers.²⁶ This synergy between cultural, artistic and certain technical occupations is manifested in cases of more technically oriented companies drawing upon the independent design firms and individual workers that populate Montréal's cultural and artistic industries.²⁷ A key implication of this research is that in addition to strategies focused on attracting cultural and creative types to the city, urban development policy should pay greater attention to preserving the diverse physical settings that provide a nurturing environment for these types of creative industries,²⁸ without being overoptimistic on the results of these attraction strategies alone.²⁹

²⁵Norma Rantisi and Deborah Leslie, "Bringing the Material Back in: The Role of Space in Creative Production," Paper presented to the 10th Annual Conference of the Innovation Systems Research Network (Montréal, 2008).

²⁶ Tremblay, Diane-Gabrielle and Sébastien Darchen (2010). The attraction and retention of knowledge workers considering the 'creative class' thesis. Does the place of birth have an influence? The case of Montreal. Forthcoming in *International Journal of Knowledge Based Development*.

²⁷Kevin Stolarick and Richard Florida, "Creativity, Connections and Innovation: A Study of Linkages in the Montréal Region," *Environment and Planning A* 38 (2006): 1808.

²⁸The importance of providing adequate physical space for artistic and creative endeavours was a central part of the recommendations in the recent report from the Strategies for Creative Cities Task Force, *Imagine a Toronto: Strategies for a Creative City* (Toronto, 2006).

²⁹ As is shown in a few articles (Shearmur, Levine and others) in :Tremblay, Rémy et Diane-Gabrielle Tremblay (2010). *La classe créative selon Richard Florida :un paradigme urbain plausible ?* Québec: Presses de l'université du Québec et Presses universitaires de Rennes. Collection Géographie contemporaine.

Similar results are observed in the case study of the fashion industry in downtown Toronto. While not one of the largest fashion sectors in North America, Toronto has a substantial number of designers and apparel manufacturers who employ over 50,000 people in the sector. Toronto does not appear to act as a significant draw for the inward migration of fashion designers from other countries, yet it does have a large number of foreign-born workers in the sector, most of who came to Canada for personal reasons. There are also a significant number of Canadian born designers who were attracted to Toronto primarily to pursue an education in design and ended up staying because of the employment opportunities the city afforded. In Montreal, many students come from the province or abroad, and the Québec born tend to be less mobile than the foreign born, who may move elsewhere afterwards. Also, most of them say they are more attracted and retained by the job opportunities Montreal has to offer, and low rents, than by the “quality of place” dimensions, especially in the more technical sectors.³⁰

Because of their ability to create meaning and amplify culture across geographical space, media industries arguably contribute more directly to the economic, social, political, and cultural spheres of influence of their respective city-regions and countries than do other creative industries. In many cases the advancement of a region or a nation is believed to be dependent on the viability of highly localized media industries in a host metropolitan area. This is the case in Toronto, whose media industries (books, magazines, music, film, television, and interactive digital) are considered by the Government of Ontario to be the core of the Ontario Entertainment

³⁰ Darchen, Sébastien et Diane-Gabrielle Tremblay (2009). What attracts and retains knowledge workers/students: the quality of place or career opportunities? The cases of Montreal and Ottawa. In *Cities* (Ref. No.: JCIT-D-09-00070R1).

Darchen, Sébastien et Diane-Gabrielle Tremblay (2009). Attracting and retaining the workforce in science and technology: the impact of factors related to the quality of place. The case of Montreal. Forthcoming in *Knowledge-Based Development of Cities and Societies; integrated multi-level approaches*.

and Creative Cluster, which in turn is “a cornerstone of Ontario's new innovative economy” according to the 2008 Ontario Budget. In Montreal, it is the Francophone TV production, with Télé-Québec, Radio-Canada and many subcontracting firms that along with book and magazine publishing, and the film and multimedia sector, form the essence of Québec’s innovative cultural industries.

One of the key attractions for creative workers in the gaming, multimedia, fashion and design industry is the simultaneous presence of a wide range of related cultural industries, such as film, theatre, dance, art, architecture and music. These related industries generate a wide range of synergies that contribute to the overall attractiveness of Toronto and Montreal as cities for design work. Fashion designers in Toronto reported how important it was to be located in a city with a large live theatre sector, as well as dance and film production, where they could realize their passion for design by creating the more elaborate costumes needed by actors in these productions.³¹ This closely parallels the responses from other interviews among editors, publishers and writers in the magazine publishing sector who noted that it was essential for them to be located in a large city with a vibrant dance, literary or fashion scene, depending on whether they were a dance, literary or fashion magazine. The cross-sectoral fertilization that Jane Jacobs viewed as central to the process of innovation and urban growth clearly seems to flourish in the cultural and creative sectors, concentrated in our larger cities.

Toronto is also one of the most important centers of gravity in English-speaking Canada in many cultural industries such as live theatre, dance, art, music, architecture, and software, as is Montreal for the French-speaking cultural industries. Coish estimates that the Toronto CMA employs around 154,000 people in the culture sector, representing nearly a third of Canada's urban cultural labour force (2001). Gertler, Tesolin & Weinstock estimate that the Toronto CMA

³¹Deborah Leslie and Shauna Brail, “Evaluating the Role of ‘Quality of Place’ for Fashion Designers in Toronto,” Paper presented to the 11th Annual Conference of the Innovation Systems Research Network (Halifax, N.S., 2009).

employed about 62,000 people in twelve creative occupations in 2006, and about 133,000 people in eleven creative industries, representing around 6% of the Toronto CMA labour force (2006). The Ontario Government estimates that total employment in the Entertainment and Creative Cluster in 2007 was 292,000, or 43 per cent of the entire Canadian labour force in these industries (Ontario Budget 2008).

Historically Toronto has served as the headquarters for English-speaking Canada's major book, magazine, music, and newspaper publishers, its major media production houses, its major English-language public broadcasters, and many of its private broadcasters. The Toronto media cluster encompasses the country's largest concentration of content producers, specialty broadcasters, and specialized suppliers and supporting institutions such as law firms, post-production services, sound recording studios, media marketing and publicity agencies, financial services, theatrical exhibitors, Internet publishing firms, technical service suppliers, advertising agencies, below-the-line crews and their craft unions, and public and private post-secondary educational programs. Public policy and program agencies are also strongly represented in Toronto.

Based on various published assessments of the size of the six priority media subsectors in Ontario and the percentage of firms in each subsector that are located in the Toronto region, aggregate revenues of the Ontario media industry are estimated to reach about \$6.2B in 2006-2007, of which around \$4.5B in the Toronto region. The six subsectors employ about 56,600 people in Ontario, of which about 40,400 in the Toronto region. The industry supports about 4500 firms, of which around 3240 are clustered in the Toronto region. In other words, roughly seventy percent of the firms in the Ontario media industry are located in the Toronto region. Practically all of the firms involved in film and television production, either directly or as service providers, are very densely clustered in the greater Toronto region. In fact, many of Ontario's film and television production and post-production firms are clustered in three distinct areas of downtown Toronto: Liberty Village/Queen West, the Distillery District, and Yonge Street north

of Bloor (HAL, 2009), while in Montreal the same industries are clustered around Télé-Québec and the Radio Canada television production centre. The Toronto cultural and media industry has several defining characteristics. One is the very large and growing number of very small firms, many of which are in fact self-employed individuals who have registered as a business and who do not have employees. Approximately 10,000 entities are registered as firms in the Toronto CMA in the 51 series of industry segments in December 2008. Nearly half of these are video production firms. Toronto has a pool of nearly 5000 small firms in the motion picture and video production segment (NAICS 512110), 95% of which are micro-enterprises (firms with fewer than 5 employees, including firms without employees), and pools exceeding 400 firms in the software publishing, periodical publishing, post-production, and data processing segments, and in each case microenterprises constitute 70% or more of the firms. A few of these firms grow into the next size class, but most remain dependent on project-by-project work (Davis, 2010).

The geography of innovation and creativity in Vancouver comprises the familiar concentrations of firms and specialised workers within certain districts of the central and inner city, together with significant clusters situated within the inner suburbs, marked by distinctive spatial, social and technical divisions of labour. At the broadest spatio-sectoral level we can identify (first) particularly dense agglomerations of cultural sector industries, institutions and labour within the core, incorporating new media and professional design industries and firms; and secondly, within the inner suburbs, university-based research clusters, niche-scale industrial R & D, and important outposts of the cultural economy within the inner suburbs, notably in Burnaby, Richmond and North Vancouver. To illustrate, UBC in Point Grey features a substantial medical research cluster; Burnaby and North Vancouver incorporate large film production studios that cannot be economically situated in the central city; Discovery Park in Burnaby constitutes a significant R & D cluster; and niche-level firms in electronics, aerospace and subsea industries are located in Burnaby and Richmond.

While the inner suburbs perform important roles in the geography of innovation in

metropolitan Vancouver, the cultural economy of production, consumption and spectacle is highly concentrated within the metropolitan core, a territory which takes in the CBD and both ‘established’ and ‘frontier’ inner city districts and communities that now extend eastward to Clark Drive, in Grandview-Woodlands. Following the long-term contraction of resource processing industries and warehouses, driven both by market forces and by local policy decisions, much of Vancouver’s inner city has been given over to a complex structure of cultural production, marked by localised clustering and industrial specialization. Further, the evacuation of head offices and some financial intermediaries from the CBD has effectively opened up new terrains for creative firms, offering locational choice for enterprises within the metropolitan core, and indeed a significant cluster of new media firms (including Electronic Arts) has infiltrated the northern crescent of the central office complex.

Aside from the enabling capacities of space and landscape, the establishment and operation of creative firms is facilitated by the marked ‘social density’ of Vancouver’s core, a condition fostered by the City’s policies for more intensive use of (residential and employment-generating) land resources; the micro-scale spatiality of the heritage districts of the CBD fringe and inner city, which promotes intense interaction and knowledge exchange; and by key agencies and institutions which provide crucial human capital enhancements and training. These include the well-known Vancouver Film School (VFS), located on Hastings Street; the Emily Carr University for Art + Design on Granville Island; the Great Northern Way Campus situated in False Creek Flats, which offers a masters degree in digital arts; and the new Simon Fraser University Centre for the Contemporary Arts, part of the Woodward’s redevelopment project at the intersection of Victory Square and Gastown. The BC Film Commission and New Media BC, each located in the downtown, offer important marketing and industry development supports. These together comprise the logics of location for many of Vancouver’s creative firms.

While individual precincts of Vancouver’s core support a diverse mix of creative industries and innovative firms, our project research also disclosed important district

specializations. To illustrate: film production is strongly represented in Gastown, Yaletown specialises in video games, computer graphics and imaging and software development, architects are concentrated within Gastown, Victory Square, South of Granville Island ('SOGI'), and the northern crescent of the CBD, and False Creek Flats boasts Radical Entertainment, one of Canada's largest video game companies, as well as some biotech companies. These locational patterns reflect to be sure affinities and preferences, but are also mediated through the filtering effects of land values, reflected in the uneven price points of property within the larger metropolitan core. Amenity is also important to the functioning of the core's economy: cultural workers tend to take quick meals and snack in proximate consumption spaces, for efficiency reasons, and also for the opportunity of exchanging tacit information. As a specific example, our field survey and interview work disclosed that many computer graphics and imaging company workers meet at the 'Blenz' coffee house at 338 Homer Street, on the edge of Yaletown. As a final expression of the spatiality of specialised cultural activity, the Mount Pleasant District functions effectively as a key technical service and support area for the core's many creative firms, underscoring the larger structure of complex production networks within the central and inner city, and suggesting the formation of what we might provisionally label a 21st century version of the 'new industrial district'.

We need to say a word about the labour characteristics of the creative economy of Vancouver's metropolitan core. While some established, design-based creative firms (such as architecture and advertising) still maintain both a diverse range of age groups (and hence seniority) and a measure of labour segmentation, many of the key industries of the new cultural economy present a very different demographic and division of labour. While there are of course exceptions, the creative economy (and more especially the new media component) is a young person's economy (e.g. average age of 27 among employees of 25 computer graphics firms interviewed in 2009/2010); is overwhelmingly male, especially in technical positions; is characterised by contract and subcontracting work; and is also marked by exceptionally long

hours during periods of intense work in advance of recurrent deadlines. As another departure from the stratified profile of work in the dominant office economy of the post-industrial era, jobs in the new economy involve functional specialization but also a more fluid definition of tasks and a blurring of occupational status. And, while human capital is clearly a determinant of growth in the cultural economy, and while advanced education is a prerequisite for some occupations, for many others ‘talent’ and acquired ‘skills’, accompanied by a *mélange* of training and credentials drawn from a diversity of institutions, agencies and on-the-job experience appears to suffice, for example in computer graphics and imaging, and some video game tasks. One of the contributions we can make as outputs of the project is to develop a more robust profile of social, spatial and technical divisions of labour in the contemporary economy of creativity and innovation.

Although our research findings underscore the saliency of a new cultural economy of specialised firms and labour within the metropolitan core areas of Canada’s largest cities, there is also compelling evidence of the volatility of these ensembles relative to the durability of the old manufacturing and ancillary industries they have succeeded. To an extent this volatility (or ‘churn’ of enterprises and labour) is associated with the accelerated processes of innovation and restructuring that characterise advanced economies, including the insistent pressures of technological innovation, globalization and competition, and changes in demand for cultural products among consumers (Scott 2008)³². But there are as well processes internal to the city which shape succession and transition, including a form of ‘industrial gentrification’ which privileges elite creative firms over more marginal enterprises and start-up firms. The last decade has seen a growth in upscale housing (condominiums, loft conversions and live-works) which encroach upon new economy sites of the inner city, contributing to the revalorization of the core’s property market, and further destabilizing creative firms in Toronto and Vancouver

³² Allen J. Scott, *Social Economy of the Metropolis: cognitive-cultural capitalism and the global resurgence of cities* (Oxford University Press, 2008).

especially, a pattern observed in London and New York (Hutton 2008/2010)³³. Here Montréal may enjoy an advantage over Toronto and Vancouver, as property values within its core districts tend to be significantly lower, encouraging start-ups and lower-margin creative firms. The policy response in the City of Vancouver has included a recent decision to hold the line on any further conversions of industrial and commercial land for residential development – an appreciation of the value of new industries to the City’s overall development, and an attempt to find the right balance in land use following two decades of privileging housing in the core especially.

Urban Governance and Civic Engagement in Canada’s Largest Cities

A major challenge confronting many city-regions in Canada is the discrepancy between the economic boundaries of the broader regional economy and the formal administrative boundaries of the individual municipalities within it. To recap, the common feature of city-regions is the presence of a core city linked by a number of ‘flows’ to a wider hinterland surrounding it. The flows can include flows of people, information or goods on a regular basis, including daily commuting patterns or the coverage area of a local newspaper. In Canada, the definition of a Census Metropolitan Area (CMA) used by Statistics Canada provides the closest empirical measure of city-regions across the country, although some city-regions encompass a larger area than the CMA. In most Canadian cases, the effective economic region dramatically outgrew the existing boundaries of its municipal governments over the course of the postwar period. As a consequence, each of the three largest cities—Vancouver, Montréal, and Toronto, as well as some medium-sized ones such as Halifax—underwent a restructuring of their regional government structures in the 1990s. In some instances, as in the cases of Toronto and Montreal, the restructuring involved a wholesale reorganization of the municipal government, while in

³³ Thomas A. Hutton, *The New Economy of the Inner City: restructuring, regeneration and dislocation in the twenty-first-century metropolis* (London and New York: Routledge, 2008 and 2010).

Vancouver the changes were more incremental than transformative. In each case, the new structures replaced previous arrangements that were put in place over a period from the mid-1950s to the early 1970s.³⁴ But it is clear that there is no consensus over the most suitable structure to match the administrative capabilities of municipal governance with the needs of the economic region. The new administrative arrangements involve varying degrees of coordination and jurisdiction on the part of the regional administrative units. The result is that relatively few city-regions in Canada, such as Calgary and Halifax are now governed by either a single authority which corresponds to the economic contours of the Census Metropolitan Area, while most others are hobbled by the presence of multiple, often recalcitrant, local jurisdictions.³⁵

The presence of a formal tier of government that corresponds to the natural economic boundaries of the city-region clearly facilitates efforts to coordinate economic development across the broader regional economy. However, it is far from a sufficient factor. The development of more effective economic strategies requires the presence of a strong civic leadership capable of building bridges across disparate groups of business and social interests at the urban level, as well as forging local development coalitions that bring the relevant players in the community to the table to engage in the kind of strategic planning process. In Montreal, a very strong civic leadership has emerged over the years, based on an important number of groups (Culture Montréal, Chantier économie sociale, CEDCs, etc.).³⁶

³⁴Richard Gilbert and Don Stevenson, "Governance and Economic Development: The Regions of Toronto, Vancouver and Montréal," *Cities for Citizens: Improving Metropolitan Governance*, OECD (Paris: Organisation for Economic Co-operation and Development, 2001), pp. 199–241.

³⁵There is a substantial literature on the question of the appropriate governmental structures for city-regions, but this question lies well outside the bounds of the current study. cf. Andrew Sancton, *The Limits of Boundaries: Why City-Regions Cannot be Self-Governing*, (Montreal and Kingston: McGill-Queen's University Press, 2008); Enid Slack, *Managing the Coordination of Service Delivery in Metropolitan Cities: The Role of Metropolitan Governance*, Policy Research Working Paper 4317 (Washington, DC: The World Bank, 2007).

³⁶ Klein Fontan Tremblay (op cit).

Civic Engagement and Multilevel Governance in the Greater Vancouver Region

Urban politics in Vancouver is characterized by a local civic culture that blends a high degree of social activism with a fiscally conservative policy approach. The practice of civic politics in Vancouver displays three distinct characteristics: it is diverse, democratic, and open to the involvement of a wide range of socially differentiated groups, but within an overall framework that is fiscally conservative. The city has a systematic process for open consultations managed at the local, city-wide and regional levels of government (which is similar to certain processes found at the level of the Quartier in Montreal). This practice results in a continuous set of negotiations on a range of policy and program areas and is in large measure the source of Vancouver's unique blend of civic politics and policy. The municipality of Vancouver alone has twenty-two different agencies that afford citizens the means to provide some degree of input into decisions made at the municipal level. The city has also adopted a systematic process for reviewing the role of its various advisory bodies, as well as the nature of public involvement with those bodies.

One particular organization is the Vancouver Economic Development Commission which was created in 1996 and is comprised of fifteen representatives of the business community plus a variety of ex officio members from the City Council, Tourism Vancouver and representatives of the federal and provincial Industry and Economic Development departments. Its role is to plan for sustainable development within the municipality, promote marketing initiatives in key sectors and benchmark Vancouver against a number of competitor cities around the world. Its task is complicated somewhat by the lack of a clear coherent voice for the business community in Vancouver. There are also a number of organizations representing various segments of the business community, including the Board of Trade, the Business Council of BC, the Urban Development Institute, the Real Estate Board, and the Chamber of Commerce. Each of these groups assertively protects its own 'turf', with the result that there is no cohesive development coalition in the Vancouver city-region. With the decline of the forestry and resource industries,

the Vancouver economy has been based on tight clusters of small and medium-sized firms in the high technology and cultural and creative sectors. These clusters draw their strength in part from strong support by the senior levels of government in the region's research infrastructure, such as its dynamic biomedical complex and in the city's booming television industry. There is a feeling among the city's business community that the GVRD does not provide a sufficient level of leadership for economic development and that the absence of a regional economic development strategy has limited the region's success in attracting major corporations and new investments. There has been some inward investment by major firms within Vancouver through corporate buyouts, particularly in the area of digital gaming – Ubisoft in Yaletown, Vivendi in False Creek Flats and Disney in Victory Square. Corporate investment by foreign firms has also flowed to the suburbs: Microsoft in Richmond, Electronic Arts in Burnaby, Hollywood studios operating out of North Vancouver. In addition to the active role of the business community, Vancouver has a strong District Labour Council with several large unions involved in the political process.

. . . like many North American cities, the power system in Vancouver seems to be split into two large and mixed networks of citizen and business organizations: a rather social democratic group, which may be more inclusive and represents progressive segments of society, particularly citizens and unions, and an entrepreneurial and neoliberal group, which emphasizes business organizations but also believes in the social and economic benefits of public goods. . . . although competition between the complex networks of groups may be contentious at times, competition for influence is also viewed as fundamentally positive, hence strengthening the perceptions of strong popular control over the destiny of the city.³⁷

Despite the absence of a cohesive development coalition in Vancouver, the city-region has been the beneficiary of major investments by the provincial and federal governments.

³⁷Emmanuel Brunet-Jailly, "Vancouver: The Sustainable City," *Journal of Urban Affairs* 30.4 (2008): 381.

Throughout the postwar period, the province consistently invested in major infrastructure projects aimed at supporting economic development. Since the mid-1980s, both the province and the federal government have supported Vancouver's economic development, through joint investments aimed at improving the regional transportation infrastructure and helping finance Expo '86 and the 2010 Winter Olympics. The participation of the federal government in Vancouver's staging of the 2010 Winter Olympics over the past few years signifies the role of multilevel governance in the Vancouver region. The Vancouver Olympic Committee included representatives of all three levels of government plus the private sector and the Canadian Olympic Committee and is the institutional embodiment of multilevel governance in this instance. The committee was responsible for the overall direction of planning and implementation for the Olympic Games, which included construction of the venues needed for the games themselves, as well as much needed improvements to the transportation infrastructure. Major infrastructure investments include the building of the new Canada Line rapid transit project, a \$2 billion dollar investment, as well as the construction of the Olympic village (owned by the City of Vancouver) which represents the next extension of the rehabilitation of this area that began with the creation of Granville Island and the Expo lands. The successive investments by the federal government over the last twenty-five years have made a major contribution to the regional economy, particularly in the realm of the transportation infrastructure.³⁸

Another crucial sphere where governance, innovation and urban development have come together in the Vancouver case lies in the area of contemporary urbanism as a creative enterprise and marketable commodity. Here, the motif of 'Vancouverism' expresses not simply a particular stylistic preference or choice in urban design, but rather than an integrated developmental model that includes distinctive elements of creativity and innovation. The conceptualisation, production and marketing of Vancouverism involves not just a small team of policy professionals, but rather

³⁸Tom Hutton, *Multilevel Governance and Urban Development: A Vancouver Case Study* (Vancouver: University of British Columbia, 2009).

an ensemble of linked communities and actors, including developers and builders, architects, landscape architects, urban designers, design review adjudicators, heritage planners, professional agencies and associations, real estate agencies and other property consultants and specialists, academics, graduate researchers and interns, journalists, writers and other media. The particular form of this sphere of co-production represents a distinctive feature of the economy of creativity and innovation in the Vancouver case, and is also distinguished by the formal and informal connections with the local fora of governance and collaboration outlined earlier in this section.

The Toronto Region: Strong Cities, Weak Region

Since the 1990s Toronto has been recognized as the most economically influential city-region in the country. Toronto is the financial and business services centre of the country with 28.2 per cent of its labour force in this sector, as well as the location of the head offices of many leading Canadian companies. Although Toronto's sheer size affords it significant economic advantages and is the source of much of its current economic dynamism, it lacks some of the key institutional supports needed for the effective coordination of economic development strategies. The presence of the federal government has been much less noticeable in the GTA due, in part to the absence of a federal regional development agency prior to 2009, making it difficult to implement multilevel governance approaches in the Toronto city-region. With the recent establishment of the Economic Development Agency for Southern Ontario (FedDev Ontario), this deficiency has been remedied, but it is too early to determine what role it will play at the level of the city-region. The sheer geographic scale of the region and the physical barriers created by commuting times alone makes it difficult to bring key actors and civic associations together on a region-wide basis. Until relatively recently both the City of Toronto and the broader city-region lacked strong, integrated civic leadership that could forge a unified local development coalition. The business, social and environmental communities are relatively well organized and there is a wide array of organizations representing their respective interests at the

municipal, rather than the city-region level, but prior to the early 2000s, there were few instances of the social and civic leadership uniting around an agreed upon set of goals.

Strategic urban governance: The Toronto City Summit Alliance (TCSA)

However, some of the shortcomings in the Toronto region associated with the lack of committed civic leadership have been overcome with the formation of a new community-wide civic governance initiative, the Toronto City Summit Alliance. The original City Summit was a one-day event organized in June 2002 on the initiative of the Mayor of Toronto and with strong participation from a number of community organizations, including the United Way and the Canadian Urban Institute. Following the successful conclusion of the Summit, a coalition of more than forty civic leaders from the private, labour, voluntary and public sectors came together to form the Toronto City Summit Alliance, which produced its own analysis of the economic and social situation facing the broader region and formulated an action plan.

The plan, released in April, 2003, set out a broad agenda for change in a number of areas including physical infrastructure, tourism, the research infrastructure, education and training, immigration and social services. While the name of the alliance suggests its mandate was restricted to the city, many of the initiatives identified in the plan were targeted at the city-region level. The release of the report was followed up with a second Summit held in June 2003 which resulted in a commitment to proceed on a number of key initiatives. The purpose of the TCSA is not to deliver services, but to bring together civic leaders from all different sectors to discuss issues affecting the region, identify areas that need attention, and to incubate, develop, and launch new programs in these identified strategic areas. The initiatives and projects launched by TCSA to date include the Toronto Region Research Alliance (TRRA), the Toronto Region Immigrant Employment Council (TRIEC), the Modernizing Income Security for Working Aged Adults (MISWAA), and Luminato, a yearly arts festival, as well as a new task force on the environment. However, some of these initiatives, such as the TRRA, continue to struggle with

the inherent challenge of overcoming the competition for both public and private research investments among different parts of the region. What is unique about the City Summit Alliance is that the leadership has come almost entirely from the private and voluntary sector, led by true ‘civic entrepreneurs’, such as David Pecaut. Both the City of Toronto and the broader city-region are home to a dense network of educational and research institutions, with particular strength in medical and biomedical research, as well as a number of traditional engineering fields and computer science. The potential contribution of the research infrastructure has been enhanced by federal and provincial investments in new initiatives such as the MaRS Discovery District and the Ontario Commercialization Network, as well as through existing research programs, such as the Centres of Excellence and the Canada Foundation for Innovation.

The City of Toronto has undertaken several initiatives over the past decade aimed at formulating a strategic planning approach to its economic development. However, both economic planning exercises undertaken by the City have displayed more of the form of strategic planning than the actual substance. In the first instance, an initial study was undertaken by a U.S. consulting firm in partnership with local consultants and under the direction of the Economic Development and Planning Offices of the City.³⁹ Although the study fed directly into the formation of the Toronto Economic Development Strategy, with a strong focus on cluster development, its implementation was hampered by a lack of sustained funding, as well as an uneven degree of community engagement. In part, this reflected the absence of a strong cohesive leadership at the time committed to the economic success of the city-region, as well as the lack of key ‘civic entrepreneurs’ in the economic or political sphere willing to assume leadership of the strategic planning process. However, the strategy development process did lay the groundwork for subsequent initiatives that have built more successfully on the foundation it laid. One initiative involved the launching of the Toronto Financial Services Alliance, under the

³⁹ICF Consulting, *Toronto Competes: An Assessment of Toronto’s Global Competitiveness*, City of Toronto Economic Competitiveness Study, Metropole Consultants with the assistance of GHK International, WEFA Canada (Toronto: Economic Development Office, 2000).

leadership of the city's economic development office, but involved the participation of a group of forty key organizations, including the major financial institutions, representatives of all three levels of government and the local post-secondary education institutions.

There have been several subsequent attempts to develop strategic plans for the City of Toronto. In June 2006, the Mayor established the Economic Competitiveness Advisory Committee composed of senior executives from business, academia and elected officials with limited representation from labour and the broader social and environmental sector of the city. It was charged with responsibility to forge a 'culture of partnership' to promote Toronto's economic future. The committee worked closely with public officials in the municipal administration to devise the next iteration of Toronto's economic development strategy, which was released in January, 2008 as *Agenda for Prosperity*.⁴⁰

The agenda laid out a vision for Toronto as a global business city that is a hub for environmental innovation, a centre for global education and training, and a location for new and distinctive cultural products that draw upon creativity and diversity, as well as technological excellence. The report presents a number of areas for priority attention, but contains little that departs dramatically from the previous economic development focus of the city. The most significant initiatives that emerged from it are the creation of two new municipal development agencies—Build Toronto and Invest Toronto—but both seem structured more along the lines of traditional approaches to economic development, rather than the strategic planning approach. Most notable is the relative absence of any overlap between membership on the Economic Competitiveness Advisory Committee and any one of the numerous initiatives launched by the Toronto City Summit Alliance. This signifies a lack of coordination among the city's civic constituencies and the absence of a unified development coalition in Toronto, even on a city-wide basis, let alone a regional one.

⁴⁰Toronto Mayor's Economic Competitiveness Advisory Committee, *Agenda for Prosperity* (Toronto: City of Toronto, 2008), www.toronto.ca/prosperity.

In sum, while civic governance in the City of Toronto has made significant progress over the past decade through the leadership of the City Summit Alliance, its impact has been limited by a lack of coordination with elected municipal governments in the city, as well as by an ongoing degree of intra-regional competition. There is no shortage of entrepreneurial civic leadership or organizational presence in the city, but the lack of coordination with the City's strategic planning efforts signifies the inability to forge a cohesive development coalition at the level of the City. This weakness is even more apparent with respect to questions of broader governance at the city-region level. Thus the Toronto city-region remains characterized by a fragmentation of scales and scopes in which the regional dimension is often contested. The adoption of a strategic planning approach in the Toronto city-region is hampered by the puzzling contradiction of relatively strong civic capital at the local or city level that has not translated into a unified development coalition. This limitation is compounded by the weak links at the level of the city-region, the absence of administrative structures that correspond to the economic boundaries of the region, and a still untested federal agency for regional economic development.

Civic Engagement, Multilevel Governance and Strategic Planning in the Montréal Region

Montréal is distinctive from the other large cities in the country along each of three dimensions of interest to this discussion. The Montréal region is governed by one of the most complex set of administrative structures of any city-region in the country. Overall administrative responsibility for the city-region rests with the Communauté Métropolitaine de Montréal (CMM) which is divided into five administrative regions—that include all of the cities in Montréal plus part of the regions surrounding it in the Lanaudière to the north and Montérégie on the south shore of the river. The City of Montréal includes just over 40 per cent of the region's total population, but there are another eighty-one cities that comprise the Communauté Métropolitaine de Montréal. The city of Montréal and fifteen other cities located on Montreal Island constitute the Conseil d'agglomération that took over the functions of the Communauté urbaine de Montréal, which was

abolished in 2001, at the same time as the merger occurred. The city itself is divided into nineteen boroughs, each of which has its own Community Economic Development Corporation (CDEC) that allows for the involvement of local actors around issues of local economic and social development.

The overall degree of political coordination within the city-region is enhanced by the fact that the Mayor of Montréal also serves as the Chair of the CMM, a tradition which predates the current administrative arrangement. Relations between the province and the federal agencies in the region are closely interlinked, based on what is referred to as the Quebec model of state intervention and economic development. Although not always in full agreement on every issue, the relevant agencies for the senior levels of government are usually at the table for most economic development initiatives. As a follow up to amalgamation, the Province of Quebec and the City of Montréal signed a five year agreement to invest a combined total of \$2.5 billion in upgrading infrastructure and supporting cultural, social and community development to improve the overall competitiveness of the city.⁴¹

Montréal has one of the highest levels of civic engagement of any Canadian city and there is a significant degree of coordination among the key economic, social and cultural organizations in the city. It has an active and engaged set of civic associations operating from the neighbourhood level on up to city-wide and regional level. The role played by this broad network of social actors and civic association in the governance of the Montréal region occurs within the context of a complex set of institutional compromises that have been referred to as the Quebec model. The key elements of this model are the ongoing relationships between the public sector trade unions and a range of actors in the social economy, and the partnership between these actors and the government in the provision of public services. The model assumes a distinctive

⁴¹Natalie Brender, Marni Cappe, and Anne Golden, *Mission Possible: Successful Canadian Cities*, The Canada Project Final Report (Ottawa: The Conference Board of Canada, 2007), p. 71.

form in Montréal because of the unique structure of organizations at the neighbourhood level which forms the basis for the bottom-up coalition of civic actors.⁴²

At the city level the key civic actors include the Board of Trade of Metropolitan Montréal, Culture Montréal, and the Corporations de développement économique communautaire (CDEC). The unique features of the governance structure in Montréal are the incredible diversity and involvement of the cultural community in both the networks of civic associations, as well as the key development coalition present in the city. The cultural community is represented on a citywide basis by Culture Montréal. The leadership of this organization views the arts and cultural community as essential for retaining Montréal's position as a leading metropolis on both a national and a continental scale. One of the most effective features of the governance structure in Montréal is the key role played the leaders of these respective organizations, several of whom would easily qualify as social entrepreneurs.⁴³ There is a solid consensus among the major social actors and civic associations on the need for an inclusive form of governance that integrates all actors into decision-making processes on a region-wide, as well as a city and neighbourhood level. There is also recognition of the lack of synergy between the existing administrative structures that govern the region and the existing networks of civic associations that create numerous opportunities for active participation. However, the leadership of the associations agrees on the virtue of forging strong networks and connections among themselves to compensate, in part, for the challenge of governing such a complex region. The social networks in the city are governed by a relatively high degree of

⁴²Juan-Luis Klein and Diane-Gabrielle Tremblay, "Social Actors and Their Role in Metropolitan Governance in Montréal: Towards an Inclusive Coalition?" *GeoJournal* (2009), Published online 11 March 2009:<http://www.springer.com/geography/human+geography/journal/10708>.

⁴³ Klein, J.-L., Fontan, J.-M. et D.-G. Tremblay, (2009) Social entrepreneurs, local initiatives and social economy: foundations for a socially innovative strategy to fight against poverty and exclusion, *Canadian Journal of Regional Research/ Revue canadienne de science régionale*. Vol. 32, Num. 1, pp: 23-42

consensus that does not preclude conflict, but sees the value to overcoming conflict through the negotiation of effective compromises.⁴⁴

Another respect in which Montréal differs from the other large city-regions is with respect to formulating a more cohesive economic development strategy built around a common vision of strategic sectors and clusters for the entire regional economy. There is also substantial involvement by provincial Ministry of Economic Development, Innovation and Trade as well as the federal government's regional development agency for the Province of Quebec, Canada Economic Development, which incorporates a significant degree of multilevel governance. Building on the respective roles and responsibilities of the public and private sector partners identified in the plan, the CMM has created one of the most formalized processes in the country for selecting and supporting cluster strategies in the key sectors identified. The economic development strategy adopted by the CMM emphasizes the strategic importance of the manufacturing and knowledge-intensive sectors/clusters where the region has demonstrated a strong export capability, as well as several associated with the creative-cultural industries (film and multimedia in particular, but also design and fashion, as well as tourism). The CMM economic development plan sets out four key strategies: to make Montréal a 'learning region'; to create a competitiveness strategy focused on the development of industrial clusters and enhancing the dynamics of innovation; to make Montréal an attractive region by modernizing municipal infrastructure, consolidating urban and inter-city transportation systems and improving the quality of life in the region; and finally, to promote the region on global markets and attract foreign direct investment to the region.⁴⁵

The strategy divides the regional economy into four groups of clusters—competitive clusters, visibility clusters, manufacturing clusters and emerging technology clusters. Three out

⁴⁴Klein and Tremblay.

⁴⁵Communauté métropolitaine de Montréal, *Charting Our International Future: A Competitive Metropolitan Montreal Region*, Economic Development Plan (Montreal: CMM, 2005).

of the four fall primarily within the manufacturing sector, while the visibility clusters include a range of activities more often associated with the creative sector of the economy, such as film, culture, tourism and services. The economic development plan identifies the key partners for its strategy, including the CMM itself, local economic development organizations down to the level of the CDEC's, Montréal International, the Board of Trade of Metropolitan Montréal and the respective federal and provincial economic development agencies.⁴⁶ In this respect Montréal has progressed farther towards the adoption of a strategic planning approach than either of the other two major cities. The strategy is open to the criticism that it focuses too narrowly on the existing sectoral and cluster areas of strength, at the possible expense of providing support for new and emerging areas of the economy, but especially may have neglected possible cross fertilization⁴⁷. Knowledge flows tend to be mainly concentrated within sectors or clusters, rarely spilling over into other sectors. While some intermediate organizations cover various sectors, or the whole economy, their intervention is not considered within the process of developing clusters by the CMM. A more open view on clusters, one that was more open to a variety of socio-institutional actors would favour more inter-sectoral or inter-cluster knowledge flows, thus contributing to a better use of local resources. For the moment, the organizational richness of Montréal does not appear to be valorized to its full extent. Nonetheless, it is well thought out and effectively coordinated, with significant levels of buy in from all three levels of government in the Montréal region, as well as key civic associations and private sector partners.

Conclusion

In this paper we have been concerned with a comparison of some defining features of change in the metropolitan economies of Canada's three major cities, Toronto, Montreal and Vancouver,

⁴⁶Yves Charette, "Clusterize This! Challenges and Policy Lessons," Presentation to the, 10th Annual Conference of the Innovation Systems Research Network (Montréal, Québec, 2008).

⁴⁷ Tremblay and Klein (Halifax paper, op cit).

emphasising the critical roles played by innovation systems and creative processes in recent experiences of economic and social transformation, and drawing on the rich yield of survey research conducted in each city over the term of the ISRN project. We opened with an acknowledgement of the important continuities of development in each case, which at one level reflect path dependency and scalar considerations, although it appears that dependency in each case allows for evolution and adaptation rather than a simple lock-in mechanism which perpetuates economic vocations and industrial structure (see Martin 2010 for a penetrating analysis of this debate).⁴⁸ Further, we argue that the quite different systems of governance, agency and social organization observed in each city-region constitute leading influences in shaping the systems of innovation and structures of specialized production which have emerged at the peak of the Canadian urban system since the 1990s.

From the case of Montréal, it is possible to conclude that social actors reconverted to economic development have access to organisational, human, and financial resources that are mobilised according to locally identified priorities. They may then provide assistance to private concerns or to socio-economic projects. CDECs for example aggregate diverse arrays of stakeholders and resources, whether local and external or private and public, and they favour the convergence of economic strategies and social strategies. The reconversion process in Montréal puts the social economy in a context of innovation and the new economy. This approach is thus congruent with the perspective of equity and focuses on combining strategies that concentrate on the local community. It shows also the importance of the reconnection of the local community to global networks as a condition of their success, while contributing to building a fairer and more cohesive city, which is also a factor important for business and talent attraction.⁴⁹

⁴⁸ Ron Martin, 'Roepke Lecture in Economic Geography—Rethinking Path Dependency: Beyond Lock-in to Evolution', *Economic Geography* 86(1) 2010: 1-27.

⁴⁹ See Klein, J.-L. and D.-G. Tremblay (2010). Créativité et cohésion sociale en milieu urbain; pour une ville créative pour tous. In Tremblay, Rémy et Diane-Gabrielle Tremblay (2010). *La classe créative selon Richard*

While civic governance in the City of Toronto has made significant progress over the past decade through the leadership of the City Summit Alliance, its impact has been limited by a lack of coordination with elected municipal governments in the city, as well as by an ongoing degree of intra-regional competition. There is no shortage of entrepreneurial civic leadership or organizational presence in the city, but the lack of coordination with the City's strategic planning efforts signifies the inability to forge a cohesive development coalition at the level of the City. This weakness is even more apparent with respect to questions of broader governance at the city-region level. Thus the Toronto city-region remains characterized by a fragmentation of scales and scopes in which the regional dimension is often contested. The adoption of a strategic planning approach in the Toronto city-region is hampered by the puzzling contradiction of relatively strong civic capital at the local or city level that has not translated into a unified development coalition. This limitation is compounded by the weak links at the level of the city-region, the absence of administrative structures that correspond to the economic boundaries of the region, and a still untested federal agency for regional economic development. In this context, more sustained attention to the impact of innovative, social entrepreneurial local grass roots organizations could yield additional useful insights.

In the case of Vancouver, we noted a real lack of regional awareness, despite the long standing existence of a high profile regional government (former "GVRD" now known as "Metro Vancouver"). Before we will see effective strategic management of overarching views, there needs to be better coordination and/or alignment across the cities in the region. In particular, Vancouver and its surrounding municipalities need to think of themselves as a Metro region and share resources, initiatives, amenities, as well. For example, transportation infrastructure influences communication across the cities in the Metro region but that is the jurisdiction of the

Florida :un paradigme urbain plausible ? Québec: Presses de l'université du Québec et Presses universitaires de Rennes. Collection Géographie contemporaine.

provincial government. Some respondents attribute this fractiousness to the disconnect between the province and the city, but the coherence problems of governance and agency in the Vancouver case are also a reflection of fragmentation in the structure of the economy (and more particularly a dominant SME economy that lacks propulsive corporations), society and business community. In this sense Vancouver lacks the central organizing points (political, cultural and social) for more effectively mobilizing the resources of the region, in stark contrast to the Montreal model outlined in this paper. Vancouver is situated away from the provincial governmental institutions in Victoria (on the island). Strategic planning for Vancouver, in recent years, has been somewhat hijacked by immediate/urgent priorities in areas such as the Olympic games, housing, transportation, and the environment and longer term exercises have been sidelined.