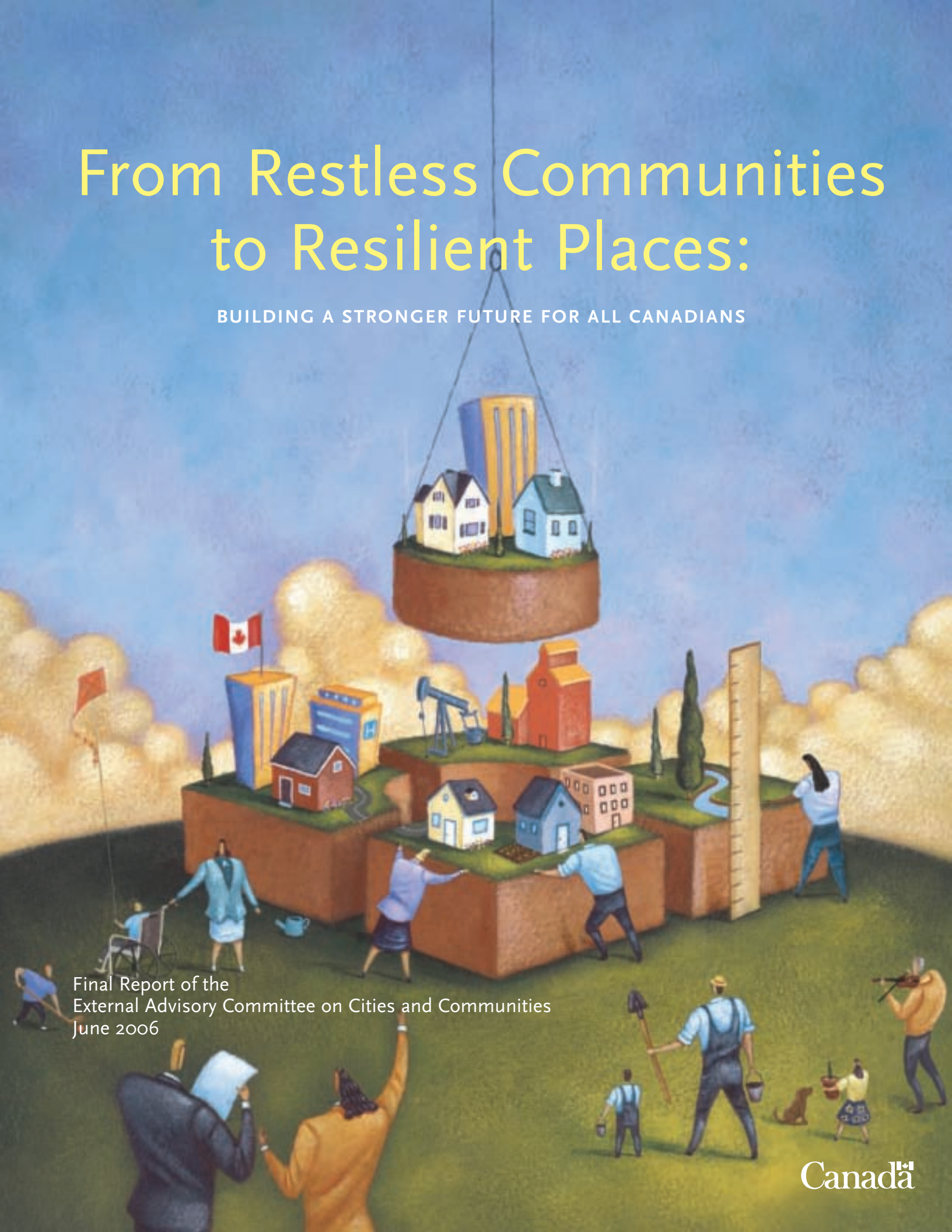
From Restless Communities to Resilient Places:

BUILDING A STRONGER FUTURE FOR ALL CANADIANS



Final Report of the
External Advisory Committee on Cities and Communities
June 2006

Canada

Print copies of this report may be obtained at the following address:
Infrastructure Canada
90 Sparks Street, Room 605
Ottawa, Ontario K1P 5B4

e-mail: eaccc-ccevc@infrastructure.gc.ca

This report is also available electronically at the following address:
www.infrastructure.gc.ca

Library and Archives Canada Cataloguing in Publication

Canada. External Advisory Committee on Cities and Communities From restless communities to resilient places : building a stronger future for all Canadians : final report of the External Advisory Committee on Cities and Communities.

Issued also in French under title: Pour en finir avec l'incertitude et favoriser la résilience des collectivités.
Available also on CD-ROM.
Includes bibliographical references: p. 72
ISBN 0-662-43555-9
Cat. no.: Iu154-7/2006E

1. City planning—Canada—Provinces. 2. City planning—Canada. 3. Grants-in-aid—Canada. 4. Urban policy—Canada. 5. Federal aid to community development—Canada. 6. Federal-local relations—Canada. 7. Federal-provincial relations—Canada. I. Title. II. Title: Building a stronger future for all Canadians : final report of the External Advisory Committee on Cities and Communities. III. Title: Final report of the External Advisory Committee on Cities and Communities.

JS1711.C36 2006 354.2'7930971 C2006-980156-8

Designed by: The Bytown Group Inc.

Printed with vegetable-based inks.

This report has been printed on FSC certified Chorus Art Silk, which is 50% recycled including 25% post-consumer waste, and New Life Opaque which contains 30% post -consumer waste

By printing on recycled papers we protect an important resource and preserve a key part of our natural heritage.

June 15, 2006

The Right Honourable Stephen Harper, PC, MP
Prime Minister of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Prime Minister:

On behalf of my fellow members of the External Advisory Committee on Cities and Communities, I am pleased and honoured to present our final report.

The Committee's membership includes a remarkable diversity of perspectives. We were drawn from communities large and small, from backgrounds in business, politics, community service, the arts and academia, and from viewpoints that span the political spectrum. Yet early on in our investigations we found among ourselves a growing consensus about the need for fundamental change in the relationship between communities and governments, and for a profound shift in thinking across government, business and the community.

Over the course of our work, we heard from the people who live in and lead those communities. We became confident that the imagination and talent needed to ensure the liveability and survival of Canada's cities, towns and villages lies in those communities themselves. What is required — at every level of government and in every facet of governmental decision-making — is an appreciation of the profound value of place, and a sense of confidence in the capacity of Canadians to plan the future of the places where they live.

Our nation's prosperity, international competitiveness and quality of life depend on addressing an acute imbalance in resources and decision-making power. While the urgency of that task cannot be overstated, neither can the opportunity at hand. Canada is exceptionally well-positioned to become the global leader in building sustainable communities: valuable and valued places that Canadians are proud to call home.

Respectfully submitted,

Mike Harcourt

Mike Harcourt, Chair

This report is dedicated to the memory of Jane Jacobs (1916-2006), whose unwavering commitment to the importance of place was an inspiration to us all.

Committee Chair:

The Honourable Mike Harcourt, Vancouver, British Columbia

Members:

Perry Canning, Labrador City, Newfoundland and Labrador

Cheeying Ho, Vancouver, British Columbia

Erik Ryan, Montreal, Quebec

Kathleen Casey, Charlottetown, Prince Edward Island

Colin Jackson, Calgary, Alberta

Mark MacLeod, Regina, Saskatchewan

Michèle Gagnon, Québec City, Quebec

Sherman Kreiner, Winnipeg, Manitoba

Elisapee Sheutiapik, Iqualuit, Nunavut

Dale Godsoe, Halifax, Nova Scotia

Ratna Omidvar, Toronto, Ontario

Robyn Tingley, Saint John, New Brunswick

Jack Hayden, Byemoor area, Alberta

David Pecaut, Toronto, Ontario

Table of Contents

Preface

The External Advisory Committee on Cities and Communities was established by the federal government in February 2004, with administrative and research assistance provided by the Cities Secretariat in the Privy Council Office (now the Cities and Communities Branch of Infrastructure Canada within the Transport, Infrastructure and Communities Portfolio).

The composition of the Committee is tremendously diverse, reflecting the varied profile of Canada's cities and communities. Members were drawn from every region of the country, from small, mid-sized and large communities, and from widely representative sectors of the economy and society. Our purpose was to rethink the way Canada and its communities are shaped, and to help make sure that Canada will be a world leader in developing vibrant, creative, inclusive, prosperous and sustainable communities.

We were charged with:

- developing a long-term vision on the role that cities and communities should play in sustaining Canada's quality of life
- providing advice on development of federal policies concerning cities and communities
- enriching the discussion of policy options by providing regional and issue-specific expertise, and
- advising the government on how best to engage provincial, territorial and Aboriginal governments on major issues affecting Canada's cities and communities.

Over the past 27 months we have convened as a Committee in communities across the country, where we heard from local leaders, community agencies, stakeholders and subject-matter experts on issues that play out every day in our cities and communities.

To capitalize on the Committee's broad range of experience and knowledge, we formed several subcommittees to examine the issues through two sets of lenses: the sizes of communities (large and gateway cities, mid-sized cities, and rural and remote communities) and sustainability (economic, environmental, social and cultural).

In a series of initial meetings we developed a shared long-term — and in hindsight a rather utopian — vision for Canadian cities and communities as sustainable places of exceptional beauty, neighbourliness and prosperity, rich in ideas, confidence, diversity, creativity and innovation, where all people are included economically, socially and politically. We elaborated on our basic vision with the hope and expectation that Canada's cities and communities will be models of environmental, economic, social and cultural sustainability, and that they will:

- sustain vibrant economies where all people can realize their full potential
- minimize their ecological footprints
- attract and retain talented people and encourage creativity and entrepreneurship
- foster respect and a sense of human dignity for one another through inclusiveness and kindness
- include new arrivals with grace and speed
- be surrounded by public spaces and buildings that are beautiful and accessible
- build on their distinctive human, cultural, historical and natural characteristics
- ensure a civil and peaceful society for all people, and
- be places where people take personal responsibility for the success of their communities.

In September 2005 we convened a round table in Ottawa on *Planning for Sustainable Canadian Communities*, attended by a range of municipal, provincial and territorial, and federal officials and leading authorities on community sustainability. The result was an intense and productive dialogue on some of the most fundamental challenges and opportunities confronting Canada's cities and communities. In subsequent months we consolidated the findings of our subcommittee and developed the recommendations found in this report.

Now, more than two years later, rather than revisiting or recrafting our early vision, we have grounded our expectations for Canada's cities and communities in some key findings:

- government policy choices made at all levels and scales play out in places, with often unintended and unrecognized consequences
- our cities and communities are diverse places and require individual responses to challenges and opportunities
- our urban centres and rural areas share an interdependence
- our systems of governance need to change to enable our cities and communities to make well-informed choices, to respond to challenges and to achieve their potential domestically and internationally
- cities and communities are burdened with significant infrastructure deficits that are impeding their sustainability
- community cohesion is a key to long-term success
- local, integrated sustainable planning is a fundamental tool required to guide the future of our communities
- our communities must embrace sustainability by integrating its four dimensions: economic, environmental, social and cultural, and
- creativity and innovation are together an overarching element that will propel our cities and communities to success.

We have been privileged to serve on the External Advisory Committee on Cities and Communities. We have visited some wonderful places and have met many individuals committed to the future of their communities. Our mandate was to look to the future, to help rethink the way Canada and its communities are shaped. We feel we have done this. In the report that follows we recommend change. We recognize that change is not easy and cannot provide immediate results. However, we strongly believe we can all work together for change. This report reflects our profound confidence in the future successes of our cities and communities.

ACKNOWLEDGEMENTS

This report reflects contributions from hundreds of Canadians: elected municipal leaders, government officials from all orders of government, volunteers, staff and board members from community agencies and organizations, experts in a wide range of fields, and individual Canadians. We are grateful to all of them for their time, insight and experiences.

We also had the good fortune to work with several talented, dedicated professionals within the Cities and Communities Branch of Infrastructure Canada. They worked tirelessly to provide the support that allowed us to consult widely, deliberate thoughtfully and carry out our mandate with the information and insight we needed. In addition, we retained the services of several individuals to help guide our discussions and synthesize what we were learning. We offer our deep thanks for the skilled assistance of everyone with whom we worked.

We were fortunate to have the expert guidance of Professor Duncan Maclennan during the final stages of the report. As an internationally recognized economist, Professor Maclennan has worked on urban policies at the most senior levels in academia and government in Scotland, the United Kingdom, Australia and the OECD, and we were grateful for his insights and support.

Finally, we would like to acknowledge the valuable contribution made by some original members of the committee who were unable to stay with us through to the completion of our final report: Mary Hodder (St. John's, Newfoundland and Labrador), Élizabeth MacKay (Québec City, Quebec), Benoit Labonté (Montreal, Quebec) and Edmund Schultz (Whitehorse, Yukon).

From Restless Communities to Resilient Places
Summary of the Report

The External Advisory Committee on Cities and Committees began its work in February 2004 under the chairmanship of Michael Harcourt, formerly mayor of Vancouver and Premier of British Columbia. Charged with examining the future of Canada's cities and communities, the Committee focused on a long-term vision of the role that cities and communities should play in sustaining our prosperity. Our recommendations are based on the views of a wide variety of Canadian leaders, experts and practitioners, research we commissioned and our review of Canadian and international studies. This summary reflects the major points of analysis in each chapter of the report, and sets out our findings and recommendations.

1. RAPID CHANGE, RESTLESS COMMUNITIES

Over the past 30 years Canada's cities and communities have experienced rapid and relentless change. Global shifts have led to the collapse of some industries and the rise of others. Immigration to Canada has increased, bringing new Canadians to our cities from all over the world. While Canadians are more aware of environmental issues, especially local challenges, we continue to engage in behaviour that increases sprawl and taxes our natural environment. More of our communities have been managing growth rather than facing decline, but lifelong employment is no longer taken for granted.

These and other effects of globalization on our cities and communities have generated positive and negative impacts across the country. We observed that they have also created a feeling of powerlessness, exacerbated by a perceived lack of government response. This, in turn, has led to restlessness — an unease with the way that things are going and a concern that our governments are not responding to the needs of our cities and communities. Our governments are not changing as rapidly as our communities, and are not poised to meet the challenges and opportunities of tomorrow.

2. RECOGNIZING THE IMPORTANCE OF PLACE

In common with those of other OECD countries, Canadian governments envisage a future characterized by rapid and globally driven change, rising energy prices, climate change, a growing sense of personal insecurity, and an aging population placing renewed reliance on immigration to supply a spectrum of labour skills and stressing our health-care system. The federal government will need to be concerned with big outcomes such as economic competitiveness, social inclusion, environmental sustainability, good governance and personal and national security. With places connected more tightly than ever before, there are few refuges from these concerns.

In our conversations with Canadians, we found that community success did not come from size or opportunity alone, but from meeting challenges and adversity, seizing and maximizing possibilities, and developing a collection of creative solutions to apparently insoluble problems.

The federal government recognizes that change affects places, yet seldom has a consistent view of how places might shape big changes. The Committee was convinced that our communities are not simply places where policy

decisions play out, but also transformative places that create opportunities. Challenges may be global, but responses are local.

Growth is not delivered in government offices but by the choices made where change happens. Growth does not take place in Canada in the abstract but in numerous places across the nation. The congestion costs of crowded infrastructure and unaffordable housing come about because demand changes and supply capacities do not match in specific places. The consumption of fossil fuels and greenhouse-gas emissions are greatly influenced by the form and density of settlements, and by the physical geography of a place. Places shape the dividends from growth.

Places can also reinforce the penalties of poverty. The places of the poor are often located in less green, less clean and more mean streets and failing communities.

Whether they are facing prosperity or poverty, growth or decline, places have to be made resilient for change. They need the capacities, institutions and attitudes that will best connect them to the flow of national progress. In this way they will accelerate national prosperity rather than brake productivity. Canada needs cities and communities with greater resilience to thrive under this constant barrage.

Findings

We believe that while future challenges for Canada will have global origins, responses will be local and shaped by a strong sense of place, that Canada's places are varied and different, with different opportunities, desires and capacities, that Canada should be at the forefront of high-quality thinking and action about places, and that no single order of government can resolve Canada's challenges affecting our varied places.

Recommendation 1:

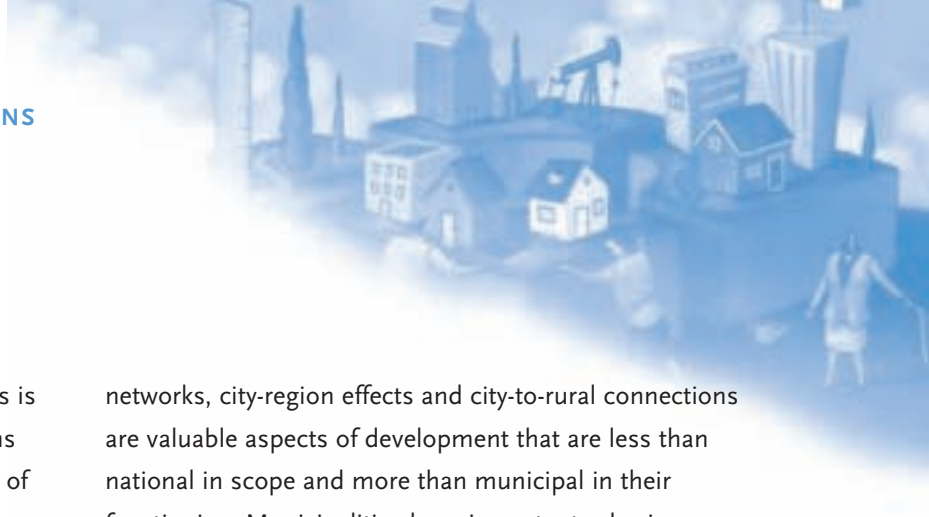
The Committee therefore recommends that all governments in Canada adopt a place-based approach to policy-making, which will allow them to foster better capacities to understand, develop and manage Canada's places for the future. Specifically, the Committee recommends that the leadership role of the federal government be one of facilitation and partnership with other orders of government and civil society, to deliver locally appropriate solutions to issues of national consequence playing out at a local level.

3. TOWARDS A DOUBLE DEVOLUTION

Canada has experienced a decade of devolution of responsibilities — from federal to provincial and territorial governments and from provincial and territorial governments to municipalities —but without the increased autonomy needed to make resource choices.

With buoyant federal tax revenues and increasing expenditure pressures on provinces and territories, a pronounced fiscal imbalance has emerged. The Committee welcomes the government's aim to restore fiscal balance, but urges that more must be done to clarify the roles of different orders of government, to strengthen the devolution process and to improve governance arrangements that affect cities and communities.

The Committee noted much recent devolution to more local governments in other OECD countries. This has been driven by a recognition that governments' roles and resource bases should move to the most local levels at which they can operate effectively. Decisions are best



made as close to service consumers and taxpayers as is possible. Individuals, firms, communities and nations suffer if the structures of government and processes of governance are inappropriate. The Committee is convinced that Canadian governance arrangements now penalize the competitiveness of our people and places.

Different orders of government have to recognize the interdependence of what they do. More local orders of government have to acknowledge that their individual choices and policy outcomes can add up to significant national effects. For instance, if all governments simultaneously tried to increase borrowing substantially, interest rates would rise. Equally, for federal programs to be most effective they often have to be conjoined with local actions.

Most commonly it will be provincial, territorial and municipal decisions that shape the competitiveness of particular places, but the federal government will also have significant roles. Among other things, these federal roles will involve developing:

- international branding of the high quality and variety of Canadian places
- national understanding of the importance of place
- knowledge of best-practice policies for regions, cities, communities and neighbourhoods
- connectivity across provinces and territories, especially in communications and transport infrastructure, and
- minimal restrictions on the flows of domestic trade, capital and labour across Canada.

The federal government must make sure that Canada collectively is a strong nation by allowing better local choices. Provinces and territories have crucial strategic roles in reconciling policies and programs for places. Intercity networks, city-region effects and city-to-rural connections are valuable aspects of development that are less than national in scope and more than municipal in their functioning. Municipalities have important roles in delivering services, providing leadership and vision, and regulating and taxing highly localized markets.

To shape better cities and strong communities, federal capacities are needed to make connections, provincial and territorial powers are needed for strategic integration and municipal abilities are needed to engage with citizens and deliver change locally. Cooperative relationships are essential to good governance for places. To achieve the required outcome, it is the Committee's view that it will be essential to strengthen not only provincial and territorial roles, but even more to see stronger, confident provinces and territories devolving power and resources to municipalities — working with them and civil society in new governance partnerships tailored to city-regions and neighbourhoods.

The Committee concluded that property taxes are not an adequate base for municipalities to meet their infrastructure challenges. As it reduces the burdens of its own taxes, the federal government should encourage provinces and territories to provide cities and communities with a more substantial degree of autonomy in raising revenue. We also feel that allowing access to a tax base that grows with local economic activity would provide an incentive for investments that promote city incomes and growth.

The Committee feels that a more substantial, elastic tax base and devolved power at the municipal level will have a dual effect of strengthening municipal government and encouraging strong, entrepreneurial leadership.

Findings

We found that ineffectual governance arrangements damage the global competitiveness of Canadian cities and communities, and all orders of government urgently need to review existing government and governance arrangements to find ways to serve the needs of communities and the nation better, through effective partnerships that help to combine each player's tools for solving commonly defined challenges coherently and efficiently.

Recommendation 2:

The Committee therefore recommends a double devolution, shifting responsibilities and resources from the federal government to the provincial and territorial governments, and then from the provincial and territorial governments to the local level; the double devolution should ensure that choices about how to raise and use resources, including tax choices, move to the most appropriate local levels, where accountability to citizens is most direct.

The first principal purpose of double devolution is to make sure that all orders of government, with relevant partners from business and civil society, work together to implement governance arrangements that are locally appropriate, including arrangements dealing with significant city-region and neighbourhood issues that may not necessarily correspond with government boundaries. The second purpose of double devolution is to allow municipalities to develop a municipal taxation structure that gives them access to revenues, some of which grow with the economy while others provide a stabilizing influence.

We recognize that these are crucial and necessary shifts requiring fundamental change in how our federation operates at all levels. While it is important that action start now, we also recognize that not all these changes can be made in the short-term.

For several years one of the most pressing concerns for communities large and small has been infrastructure. From roads and bridges to water and sewage treatment facilities, many municipalities have made the difficult choice to forego infrastructure repairs and expansion in order to meet their immediate needs.

Recommendation 2a:

In the interim, before cities and communities can take on new responsibilities or develop their own taxation systems, this deficit needs to be attacked. The Committee therefore recommends that the federal government immediately and significantly accelerate work with provincial and territorial governments, municipalities and the private sector to close the municipal infrastructure gap.

In the longer term, with double devolution, obligations for municipal infrastructure funding would likely pass to municipal authorities along with new, predictable, long-term funding sources, primarily through a new municipal taxation structure devolved from the federal government and the provincial and territorial governments.

4. CREATING SUSTAINABLE STRATEGIES: AN INTRODUCTION

Sustainability is most usefully regarded as a guiding principle, rather than a specific set of ideas applied in a single area such as environmental policy. The essence of sustainability thinking is to recognize that there are assets,

costs and benefits not accounted for in market decisions and values. Sustainability looks to the public interest beyond narrow market outcomes, taking a wide view across sectors and peering across time with a long view.

We recognize that one of Canada's great achievements under federal leadership in the latter half of the 20th century was the fostering of a culture of diversity. The Committee believes that Canada's aspiration for the 21st century could well be the nurturing of a national culture of creativity, innovation and collaboration both for individuals and governments.

The principle of creativity needs to be applied to what the Committee regards as the four interconnected dimensions of sustainable strategies for developing places: economic, social, environmental and cultural. For Canadian communities to adopt these strategies, however, a radical overhaul of responsibilities and resources will be necessary.

Canada's cities and communities should establish procedures for auditing the success of their local economies, especially city-regions in comparison to their key international competitors. They should also set up procedures for assessing their preparedness for future challenges and opportunities, and for assessing national, provincial/territorial and local policies and programs to judge whether they help or hinder the ability to meet change. Benchmarking is a vital starting point for encouraging places to do better for themselves and for Canada.

Findings

For our cities and communities to succeed under double devolution, we found that as a first step, communities should form effective working partnerships with others, including local governments where appropriate, to develop their vision for their places; that to realize their visions, communities are likely to need to adopt long-term integrated strategies, focused on creative, sustainable solutions that recognize local needs, challenges and opportunities; and that community strategies should incorporate the interrelated economic, environmental, social and cultural dimensions of sustainability.

Recommendation 3:

The Committee therefore recommends that all governments work together to assist communities in developing integrated and sustainable strategies by providing capacity-building measures for community leaders and sharing best practices among diverse communities, and that all orders of government should harmonize their policies and programs to support community efforts to pursue their own long-term visions for their own future.

5. CREATING SUSTAINABLE STRATEGIES: THE ECONOMIC DIMENSION

Good connections, clustering of economic activities, localized competencies such as the quality of labour and creativity, and demand shifts to post-industrial services have all strengthened the economic significance of metropolitan regions. These factors will likely be the main building blocks for future growth.

After double devolution, the federal government will still have a number of significant policy responsibilities that affect communities, cities and regions. When the federal government is undertaking major investments, particularly in strategic infrastructure, it would benefit from having a strategic spatial-development framework of the kind now widely used in OECD countries.

Strategies that deal with the geography of economic opportunities are likely to be most important at the provincial and territorial scales. In some places regional economic strategies should cross provincial and territorial boundaries, which would involve tackling the issue of interprovincial trade. For example, in Ottawa-Gatineau there is a case for interprovincial thinking in the future strategy for the functional city around the capital.

The Committee saw evidence from Canada and abroad demonstrating that groups of municipalities, acting as a city-region or as a region of smaller communities, could have significant effects on their local economies. After double devolution, a new sense of local autonomy (also known as subsidiarity) in Canadian fiscal affairs will lead to more effective economic strategies for our large cities and clusters of smaller communities. These strategies should focus on integrating what can be best done locally (land planning decisions, for instance) with what needs to be done for a broader provincial/territorial or national interest (such as education programs).

As a general principle, the Committee is convinced that the nation should maximize the value that is added to goods and services in all its places. In rural areas, for instance, communities need infrastructure and research support to make sure that more and not less processing and adding value takes place closer to where resources are extracted, especially in the context of rising fuel prices for transporting heavy raw materials.

Evidence of what makes a successful place emphasizes the importance of the synergies among the economic, social, environmental and cultural dimensions of sustainable community strategies. Economic futures are influenced by how present outcomes shape culture, the environment and society. In the social sphere, for instance, the unemployment rate, the level and distribution of incomes and property prices all have major implications for social development within our communities.

At city and community levels, economic policies should be designed with regard to their inclusion and wider effects, and the potential economic gains from revitalization policies for poorer communities need to be realized.

Findings

We found that city-regions are increasingly the focal point of global economic activity, that Canada's resource-based rural and remote communities provide an economic key to Canada's future prosperity, that the prosperity of Canadian places reflects their long-term competitiveness and is affected by macroeconomic and sectoral policies as well as those directed at particular places, that economic policies for places need to be more fully considered and better integrated across all orders of government, and that all places, regardless of size, can share in Canada's success.

Recommendation 3a:

The Committee therefore recommends that all governments more effectively coordinate competitiveness policies, including:

- **strengthening access to international markets through gateway cities, and improving connections between Canadian places with sustainable transportation and information and communications technology infrastructure**
- **removing internal barriers to trade across provincial and territorial boundaries**
- **assessing and then maximizing the local effects from all governments' investments**

- **encouraging provinces and territories to collaborate with communities to create development strategies focused on place that improve education, the attraction and integration of immigrants, and other labour market outcomes, and**
- **ensuring that municipalities collaborate with each other and other orders of government to address land and planning system constraints and local labour-market imperfections.**

6. CREATING SUSTAINABLE STRATEGIES: THE ENVIRONMENTAL DIMENSION

There have been some significant Canadian improvements in the quality of water supply and reductions in major air pollutants. Much remains to be done. There are serious issues of basic quality of life for some communities, especially ensuring adequate water quality and supply for Canada's Aboriginal communities. New concerns have emerged about the global outcomes of the consumption of non-renewable resources, especially fossil fuels. Canada has the worst environmental footprint measure of any country after the US, and some cities such as Calgary are far worse than the national average, according to Federation of Canadian Municipalities quality-of-life data.

Canada's cities and communities are not environmentally sustainable on their current path. Use of fossil fuels is the main source of the problem. Canadian cities are also characterized by low densities of population, and Canada is still sprawling more than ever before.

It is clear that an alternative to sprawl is required. Developing renewable energy sources and designing new ways in which to live more compactly are two of the possible strategies for strengthening Canada's environmental health.

It is essential that all orders of government continue to develop policies for environmental sustainability. These should include partnership activities involving business and the community, and the use of fiscal incentives to achieve governments' aims. Environmental sustainability would put natural capital at the centre of discussion, would use accounting that included non-market costs and benefits, and it would develop targets for environmental action. This will have to be a cooperative process in which the federal government works with provinces, territories and cities.

A good place-based environmental strategy for Canada will be more than simply the sum of provincial, territorial and local actions. Environmental policy has to have federal involvement, because environmental impacts cross provincial, territorial and international borders. The National Round Table on the Environment and the Economy was correct in encouraging the federal government to develop regulatory and fiscal tools to address sprawl and reduce energy reliance.

Other federal, provincial and territorial action could raise environmental sustainability and reduce sprawl. There need to be changes in place-making skills in ways that develop high-quality planning and design ideas incorporating economic, environmental, social and cultural dimensions. In securing our economic objectives, we need better planning to ensure an effective and affordable supply of land and property for business and residents.

Findings

We have found that the way Canadians live now in our cities and communities is using up too much of our natural capital, outstripping our environment's ability to recover from demands made on it, that decisions and

actions taken to the detriment or benefit of the environment intrinsically affect our economy, society and culture, that a major investment in new environmental technologies could generate significant new opportunities for Canada's prosperity and competitiveness in the long-term, that cities and communities clearly lie at both the heart of the problems and solutions for the sustainability of the Canadian environment, and that improving the liveability of places will be critical for our future.

Recommendation 3b:

The Committee therefore recommends that all governments, the private sector and civil society pursue the following activities to improve the long-term liveability of our cities and communities:

- **increasing funding for the development of innovative environmental technologies that would benefit communities, thereby increasing Canadian expertise and commercializing Canadian knowledge**
- **developing an integrated national renewable energy strategy to decrease dependency on fossil fuels and other non-renewable resources, reduce local air pollution, reduce greenhouse-gas emissions, decrease reliance on large-scale energy generating stations and increase the use of renewable energy**
- **developing a greener national freight strategy to allow quicker and cheaper connections to Canada's markets, including rail connections**
- **coordinating planning decisions by governments at the municipal level to improve public transit, manage sprawl, reduce waste and improve air quality, water quality and water supply, and**
- **revitalizing Canada's urban cores to create more vibrant and healthy communities through environmentally sustainable infrastructure, redevelopment of contaminated (brownfield) sites and the creation of more compact cities.**

7. CREATING SUSTAINABLE STRATEGIES: THE SOCIAL DIMENSION

The Committee was struck by evidence of the importance of cohesion within communities and neighbourhoods. It is clear that creative, prosperous and vibrant places support the opportunities, services and community cohesion that in turn help to ensure progress in cities and communities. Social capital may be strong in Canada, but it is far from universal. We are concerned by the emergence of failures of cohesion and neighbourhoods and communities of exclusion.

Addressing sustained cohesion and reducing exclusion depends on more deliberative discussions with communities and citizens by the federal, provincial and territorial governments. Governments need to understand better the realities of newly diverse Canadian communities, what they want and need and how they can be positively involved in processes of governance and successful citizenship. Citizen and community involvement, especially by younger people, is often an afterthought for governments in Canada. With double devolution in place, all orders of government need to renew decision-making by engaging volunteers, non-governmental organizations and communities. We envisage a central role for communities and neighbourhoods in resolving the worrying concentrations of disadvantage witnessed by the Committee.

Canada is increasingly polarized between those who enjoy the benefits of Canada's prosperity and quality of life, and those who do not. In the Census Metropolitan Areas a growing proportion of poor people is concentrated within the poorest neighbourhoods. We are concerned that, increasingly, there are places that hold back their residents, trapping children as well as adults into a vicious cycle of low education and incomes.

Two groups feature disproportionately within poorer places, Aboriginal peoples and new immigrants. The Aboriginal population on reserves suffers from an "end-of-the-road" effect in receiving public services. Within our cities, the rapidly growing urban Aboriginal population is predominantly clustered into segregated neighbourhoods. Adverse crime, health and education outcomes follow.

Recent immigrant households have confronted a sharply falling employment rate. They face major problems in finding affordable homes. We believe that it would take few who oppose diversity to sour the atmosphere in the streets and neighbourhoods of Canada's cities. We think that Canada's past record of immigration followed by settlement, integration and income growth for immigrants is now fraying at the edges, especially at the edges of our biggest cities.

These outcomes have complex causes and are reinforced by the effects of places. The outcomes for urban Aboriginals, new immigrants and other concentrated poverty groups are neither socially nor economically sustainable.

We take the view that these issues require better mainstream services and policies on places to tackle and address poverty. We believe that it is necessary to change the way government works for the poorest people and places of Canada.

The Committee believes that international efforts in neighbourhood renewal, which have expanded significantly in the last decade as nations and cities try to cope with growth inequalities, contain important lessons for Canada. These lessons include the need for partners to create new governance structures and local vehicles, develop local capacity, and have clear outcome targets. We also believe that if they are to be sustainable, community and neighbourhood revitalization efforts that focus on providing housing and services and on building social capital have to be set within the context of wider city-region and regional economic strategies. Social-economy measures, which build connections to wider markets over time, also have roles to play. Society-wide asset-building efforts are essential to harmonizing inclusion and wealth creation: home-ownership measures for moderate and low-income households, worker-owned enterprises and share ownership, for instance, should be encouraged.

The federal government has legitimate interests in neighbourhood renewal, and it should engage municipalities and communities as a partner with knowledge and resources. Change leadership should be more local, however, and there should be no predetermined federal solutions.

Findings

We found that prosperous and vibrant places support community cohesion and reinforce competitiveness, that urban quality of life is the key to sustaining economic prosperity because appealing cities attract investments, technology and highly qualified labour, but that the reverse is also true: concentrations of social disadvantage can create negative neighbourhood effects that erode individual capabilities, reinforce low productivity and incomes, foster alienation and lead to further failure, that program designs constrain progress and planning choices exacerbate rather than reduce this problem, that there need to be local capacities and organizations to lead change, and there has to be a willingness on the part of all partners to integrate services and investments, and that the way that government works needs to change to deliver better services and outcomes.

Recommendation 3c:

The Committee therefore recommends that governments work together and with civil society to identify and prioritize at-risk neighbourhoods and communities and those with potential to change. Solutions will vary; in some cases this may be most effectively accomplished through the development of tri-level agreements. New approaches should seek to learn from the federally funded *Action for Neighbourhood Change* pilot program for community development, and include the creation of community capacities, integrated streamlining of services and sustained program support in some instances.

8. CREATING SUSTAINABLE STRATEGIES: THE CULTURAL DIMENSION

As a Committee, we easily understand the importance of economic, social and environmental sustainability to the well-being and future of our cities and communities; these three dimensions are familiar in most discussions of sustainability. Important as they are, they do not address some of the fundamental issues of how to create sustainable communities, such as developing civic pride, creating a sense of place and fostering diversity and inclusion. Cultural sustainability ties together the other three dimensions, and is essential to community success.

Culture is both a set of objects (art, music, theatre, buildings) and a set of processes. Culture is not just the pictures and books produced by regions or communities or nations; it is also their beliefs, their behaviour and how they develop and express them. It is this latter sense of culture that is most important for creativity and sustainability in the long-term.

In today's global reality, identity and sense of place matter. Distinctive places attract and retain talented people, encourage development and growth, and drive tourism and migration. Culture brings vitality and resilience to places, and is vital to turning a place into a community. The Committee recognizes that Canadian communities need to sustain culture to achieve vibrant, secure and sustainable cities and communities. Instead of seeing culture in isolation, we need to understand its link — both actual and potential — to Canada's competitiveness. A more effective harnessing of our cultural strengths to our economic vitality could yield enormous gains.

While there is an obvious economic value that can be assigned to an artistic endeavour — the selling price of a painting or the jobs created in supporting a theatrical production — the value of the arts goes further. The architecture and public art of a city or town can have an enormous impact on the local sense of neighbourhood and community, which in turn affects sustainability. And the spin-off social and economic benefits of the arts are countless. In recent years, research has demonstrated that the creative classes are often attracted to cities with strong arts, theatre and music traditions. Along with creative communities in business, design, finance and government, the creative classes have roles not just as artists but also in helping shape the atmosphere and networks that can turn chance meeting into innovation. Making for such an atmosphere requires venues, public safety, and trust and rewards.

In the light of growing pressures to be globally competitive while contending with increased immigration, an aging population and a threatened environment, we need to sustain ourselves with our values. We need to sustain our culture, our identities and our sense of place. And for all its challenges, globalization is actually highlighting our need to value communities and to encourage engagement at the local level.

Findings

We found that those Canadian cities and communities that have recognized the importance of culture are better positioned to meet future challenges and opportunities, that Canada's culture of the future will be shaped by, and shape, how we learn, work and live, and that strong cultural engagement can substantially improve the cohesiveness, confidence and international image and attractiveness of places, with attendant economic, environmental and social benefits.

Recommendation 3d:

The Committee therefore recommends that the federal, provincial, territorial and municipal governments, together with the private sector, establish and endow a not-for-profit Culture in Place Foundation. This foundation would build on international and national best practices in cultural strategies for cities and communities that seek to engage all citizens and that have long-term economic, environmental, social and cultural benefits. The foundation would integrate and strengthen existing efforts, such as the national Cultural Capitals of Canada program and the municipally-based Creative City Network and Les Arts et la Ville. With the aim of stimulating policies and programs in the arts, sports and other cultural fields in all provinces and territories, the foundation would act as a catalyst in building capacity for culture and cultural planning and foster best practices and innovation in communities of all sizes.

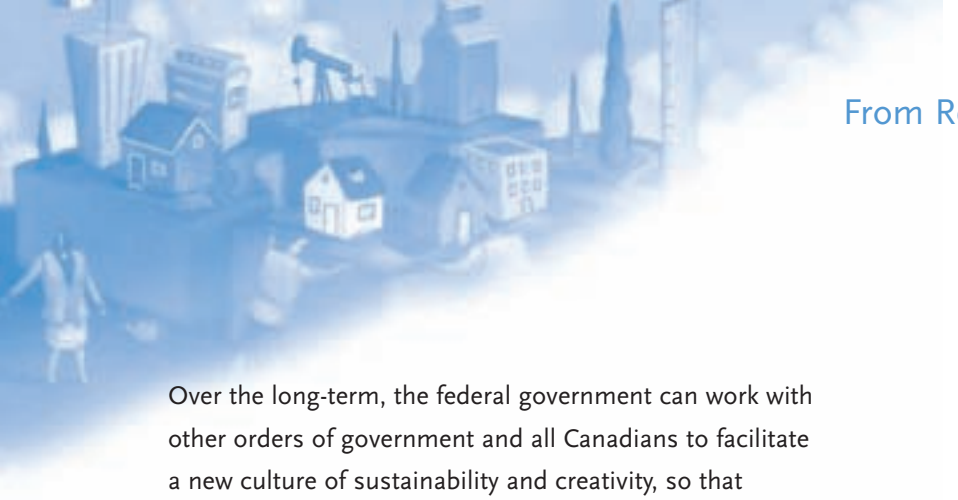
9. RESILIENT PLACES — CREATIVE COMMUNITIES

During the last few decades of the 20th century, our cities and communities changed dramatically. Immigration to our large cities increased from all areas of the world, bringing with it diversity, opportunities and challenges. Our largest cities have gone from operating in a Canadian context to being players on an international stage. Our medium-sized cities have in many cases started to carve out niches for themselves regionally, and to diversify their economies to meet the challenges of the future. Some of our traditional resource industries collapsed, and with them the communities that had developed to support them, while other resource-based communities have prospered and struggle to meet labour and housing demands. In all places, public infrastructure investment has slipped, responsibilities have been devolved from federal, provincial and territorial governments without adequate resources, and the environmental and social consequences of policies in our cities and communities have been ignored.

Canada needs to retake its place in the world at the forefront of international thinking about how we create better places for today and better prospects for tomorrow. Over the last decade we have fallen behind in these key areas of thinking and action for all our futures, and that must change.

Looking back over the past few decades, the Committee found that despite periodic interest in cities, the federal government has failed to keep up with this hastening change. The Committee feels that the time has come to revisit questions about places, and for the federal government to act in partnership with provinces, territories and municipalities to create opportunities for success and to improve the lives of all Canadians.

In the medium-term, the federal government can aid in providing funding and support to optimize connections among Canadian cities and communities and out to the world, to shore up crumbling municipal infrastructure, to support community and neighbourhood renewal, and to foster a culture of creativity.



Over the long-term, the federal government can work with other orders of government and all Canadians to facilitate a new culture of sustainability and creativity, so that communities across Canada can make their own strong, resilient places for the future.

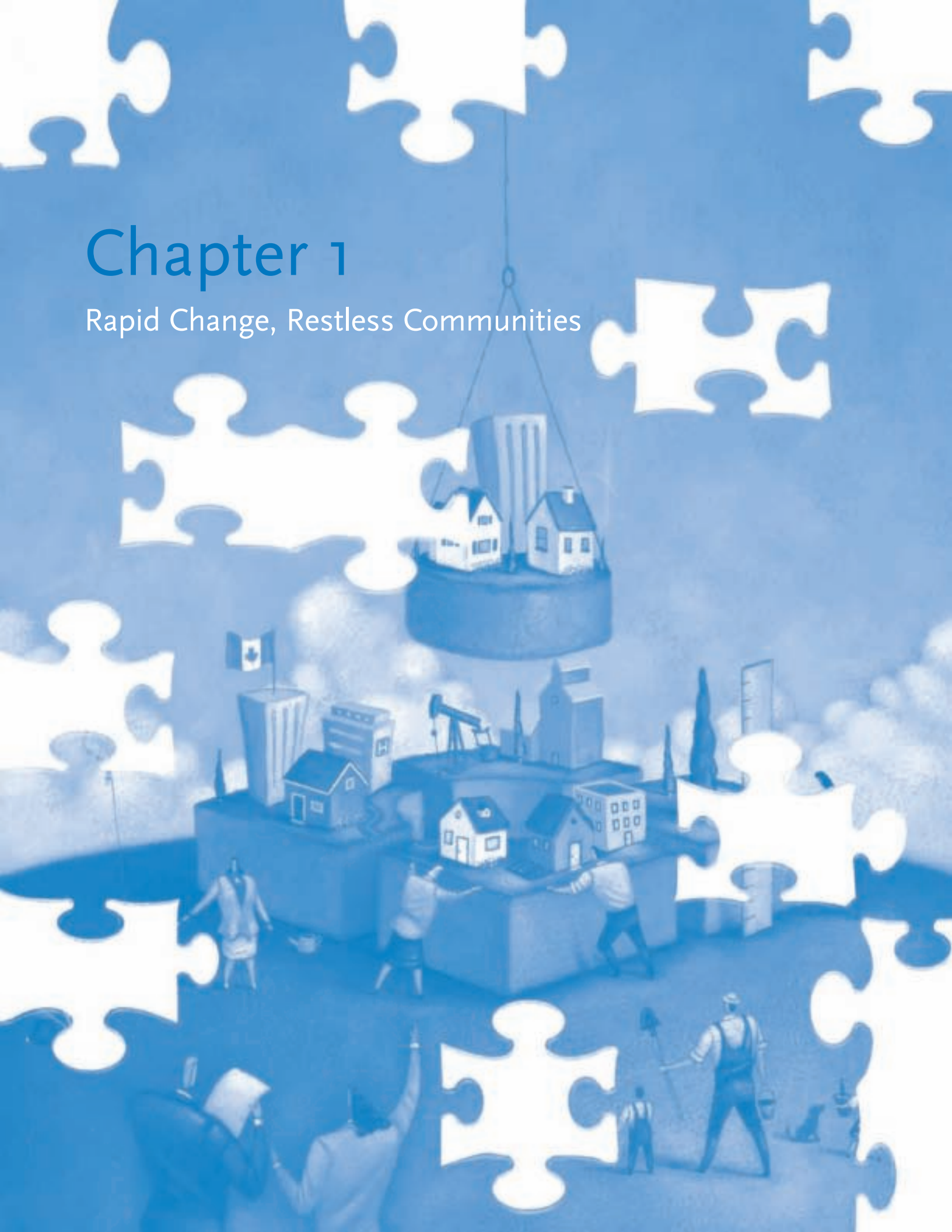
Much of what we envisage for policies on places is not arguing for new big programs and spending our way to better cities. Money and other resources may be needed in some places for various purposes, but we believe that the main route to better places lies in unleashing creativity — creativity in work and business, in the design of buildings and places, in music and art, and most critically in how we govern, design and deliver policies.

Creativity has to be the modern spirit of our places. Creativity must become the distinguishing feature of our culture, addressing restlessness head-on.

Now is the time to start to put the future in place!

Chapter 1

Rapid Change, Restless Communities



Chapter 1
Rapid Change, Restless Communities

Since the 1970s Canada's cities and communities have been transformed by global forces that have changed the country's fortunes:

- our real income per capita has doubled, while continuing economic challenges have shaped new demands for human capital, labour-market flexibility and innovative uses of knowledge and technology
- the nation's demography has gradually changed, with more ethnic diversity and an increasing proportion of single-person and elderly households
- within income and demographic groups there are new choices of lifestyles and growing cultural diversity and activities
- some important aspects of the environment have improved, such as urban air quality, but new concerns about climate change have arisen, and
- although the economic security of the nation has strengthened, a sense of insecurity about personal safety and even identities has emerged.

Although many communities are better places than they were 30 years ago, the Committee believes that there have been some significant unrecognized downsides in recent urban changes. Rapid recognition, forward thinking and action are required.

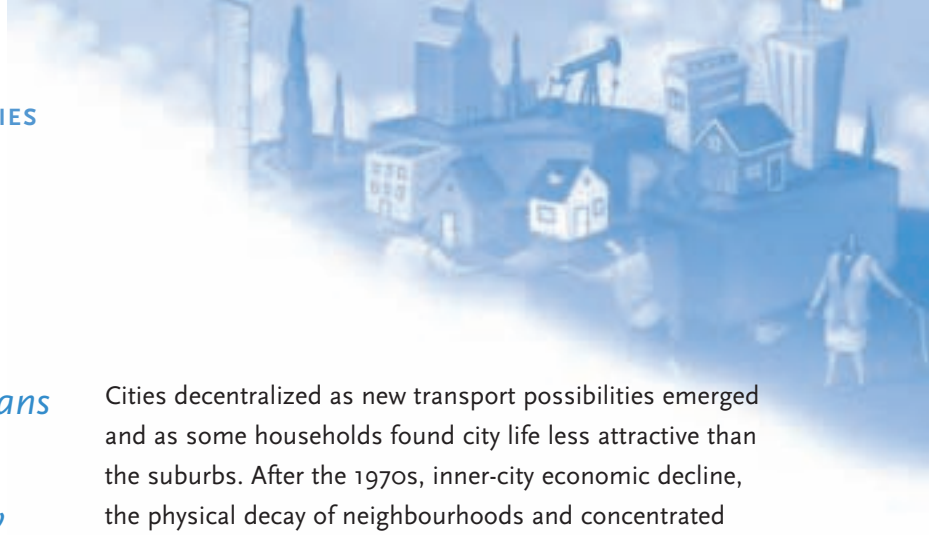
By international standards Canadians enjoy both a high standard of living and a high quality of life. But for some Canadians, poverty and social exclusion are still their everyday reality. Many of us feel an unease — a restlessness — about issues that lie beyond our available choices as consumers. Some broad challenges can best be met by governments, particularly intensifying global economic competition and emerging global environmental issues that affect all of us in our communities. At the same time many Canadians are uncertain about the future. We want to understand how we, our children, employers, institutions and the places where we live and work will be affected by and adjust to change. We recognize that the benefits from our economic growth are more unequally shared now than in the past, and that there are some adverse and unresolved consequences of globalization.

The American biogeographer Jared Diamond has suggested that civilizations fail not just because they don't envision the future, but also because they may not recognize past changes.[1] Although many communities are better places than they were 30 years ago, the Committee believes that there have been some significant unrecognized downsides in recent urban changes. Rapid recognition, forward thinking and action are required.

Urbanization: Cities and metropolitan regions

In 1871 80% of Canadians lived in rural areas. Canada is now a highly urbanized nation by global and OECD standards, with almost 80% of Canadians living in urban areas. The term "urban" embraces a number of very different kinds of settlement forms with different sorts of policy issues. Canadian cities were largely shaped before 1945. Then the economics of manufacturing, transport and

1 *Collapse: How Societies Choose to Fail or Succeed* (Toronto: Viking, 2005), p. 422



service demands all encouraged high-density centralized living and working for the majority of the urban population. However, since the middle of the 20th century two major processes — decentralization then deindustrialization — have lessened the relative and sometimes absolute significance of city cores.

In 1871 80% of Canadians lived in rural areas. Canada is now a highly urbanized nation, by global and OECD standards, with almost 80% of Canadians living in urban areas.

Cities decentralized as new transport possibilities emerged and as some households found city life less attractive than the suburbs. After the 1970s, inner-city economic decline, the physical decay of neighbourhoods and concentrated social disadvantages became the dominant urban concerns, albeit on a relatively limited scale in Canada.

Deindustrialization, unlike decentralization, has clear roots in the processes of global economic competition. As labour costs, technological change and demand factors increasingly came to favour non-Canadian locations for the production of steel, cars, textiles and more recently even routine electronics manufacturing, cities lost their economic bases.

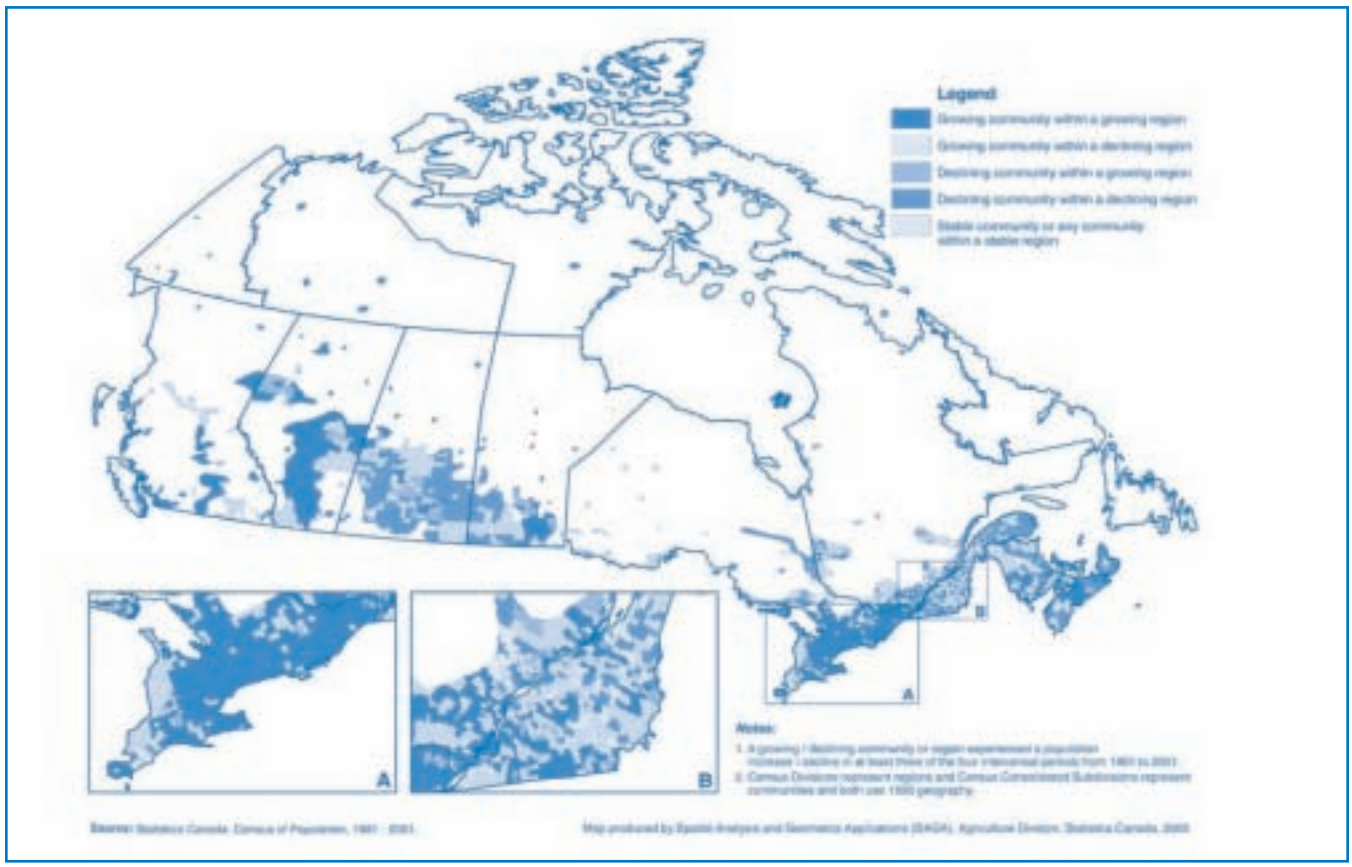


Figure 1: Growing and declining communities within growing and declining regions, 2001

Future global competition will not reverse deindustrialization. Rising gasoline and energy prices, however, may favour more accessible locations, perhaps leading to some recentralization. Europe and the US have seen a very significant renaissance of city cores since the 1980s — the result of positive policies and the rediscovery of some of the economic benefits that stem from dynamic cities, well-organized regions and improving neighbourhoods. In Canada growth and decline are geographically concentrated, and the broad trend is towards increased urbanization. Figure 1 indicates the mixed and localized patterns of change.

The changes

Over the course of our work, the Committee heard much evidence about the changing nature of Canada's places. We were greatly influenced by a series of statistical reviews undertaken by Statistics Canada, supplementing existing information. The reviews revealed the changing nature and development of Canada's 27 large and mid-sized cities, and helped us to consider their trajectory into the future.

Because of limitations in the available data, these reviews were only able to examine census data for Canada's 27 Census Metropolitan Areas (CMAs).[2] We urge the federal government to develop more robust statistics on places, including data on rural and remote communities and neighbourhoods in big cities. A true place-based policy approach must be informed by evidence, and without appropriate data the success or failure of policy applications cannot be judged. The following brief analysis of growth and decline, environmental outcomes and prosperous cities are largely based on the CMA statistical reviews.

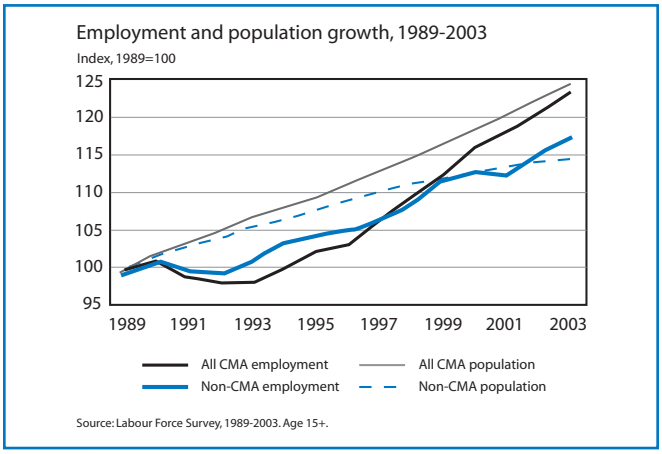


Figure 2: Employment and population growth, 1989-2003

Growth and decline

During the recession of the early 1990s, employment in CMAs rose less rapidly than in small towns and rural areas. With the exception of the recession years, however, and as Figure 2 indicates, both population and employment growth in the CMAs have outstripped non-CMA areas. Canada, in that sense, is becoming more city-focused.

Change rates varied across the CMAs in the 1996-2001 period. Of the 27 CMAs, seven recorded populations declining: one in Saskatchewan (Regina) and six in Northern Ontario, Quebec and Atlantic Canada. The fastest growth was recorded in Vancouver, Calgary, the other Prairie cities, and Toronto and surrounding cities (see figure 3). These figures highlight the disparities between Canada's largest and mid-sized cities.

The longer patterns of change for the largest CMAs from 1989 to 2003 are set out in Figure 4. With the exception of Winnipeg, large western CMAs grew faster than central and eastern cities, although Ottawa and Toronto also grew

2 A census metropolitan area (CMA) is the area formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count required for an urban core to form a CMA is at least 100,000. To be included in the CMA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by urban flows derived from census data on place of work. The universe of CMAs as of the 2001 Census is: St. John's, Halifax, Saint John, Chicoutimi-Jonquière, Québec, Sherbrooke, Trois-Rivières, Montreal, Ottawa-Hull, Kingston, Oshawa, Toronto, Hamilton, St. Catharines-Niagara, Kitchener, London, Windsor, Greater Sudbury, Kelowna, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Abbotsford, Vancouver and Victoria.

faster than CMA averages. The larger absolute scale of eastern and central CMAs meant that just under half of Canada's CMA growth was in larger central and eastern cities.

As in the past, immigration will contribute heavily to Canada's projected population growth.[3] Moreover, according to Statistics Canada, patterns of immigration since the 1970s continue to change.[4] Over the last decade nearly all immigrants landed in one of Canada's 27 CMAs, with 73% of new immigrants settling in Montreal, Toronto and Vancouver. By contrast, in 1981 only 58% of immigrants who had arrived in the previous decade settled in these three CMAs. There has also been a significant shift in the source countries from which recent immigrants have arrived. The share of all recent immigrants arriving from East Asia and South Asia increased from 18% to 39% between 1981 and 2001, while the share of recent immigrants from North America and northern and western Europe decreased from 28% to 8% during the same period.

Despite their differences, CMAs share common factors for immigrants — especially resettlement difficulties, such as finding suitable housing and getting jobs that are commensurate with their education. For example, the employment rate for recent adult immigrants fell from 78% to 68% between 1980 and 2000, while overall employment rates in CMAs rose. The share of recent immigrants in the population of low-income neighbourhoods has doubled from 10% to 20% during the same two decades. Figure 5 illustrates the employment challenges facing immigrants.

Similar issues face Canada's urban Aboriginal peoples. Fifty years ago, only 6.7% of self-identified Aboriginal people lived in cities; today that proportion has risen to 49%, with half of them in the 10 largest cities. Over the past 20 years the Aboriginal population in the 10 CMAs with the largest Aboriginal population has doubled, and in the case of Saskatoon, quadrupled.[5] While the fortunes of urban Aboriginal peoples have improved, they

CMA populations and growth rates, 1996-2001[a]

	1996	2001	%
St. John's	174,051	172,918	-0.7
Halifax	342,966	359,183	4.7
Saint John	125,705	122,678	-2.4
Chicoutimi-Jonquière	160,454	154,938	-3.4
Québec	671,889	682,757	1.6
Sherbrooke	149,569	153,811	2.8
Trois-Rivières	139,956	137,507	-1.7
Montreal	3,326,447	3,426,350	3.0
Ottawa-Hull	998,718	1,063,664	6.5
Kingston	144,528	146,838	1.6
Oshawa	268,773	296,298	10.2
Toronto	4,263,759	4,682,897	9.8
Hamilton	624,360	662,401	6.1
St. Catharines-Niagara	372,406	377,009	1.2
Kitchener	382,940	414,284	8.2
London	416,546	432,451	3.8
Windsor	286,811	307,877	7.3
Sudbury	165,618	155,601	-6.0
Thunder Bay	126,643	121,986	-3.7
Winnipeg	667,093	671,274	0.6
Regina	193,652	192,800	-0.4
Saskatoon	219,056	225,927	3.1
Calgary	821,628	951,395	15.8
Edmonton	862,597	937,845	8.7
Abbotsford	136,480	147,370	8.0
Vancouver	1,831,665	1,986,965	8.5
Victoria	304,287	311,902	2.5
All CMAs	18,178,597	19,296,926	6.2
Non-CMAs	10,668,163	10,710,168	0.4
All Canada	28,846,760	30,007,094	4.0

a: Includes institutional residents and non-permanent residents. CMA boundaries as defined in 2001.
Source: Census Analytical Series: "A Profile of the Canadian Population: Where we live".

Figure 3: CMA populations and growth rates, 1996-2001

3 *Population Projections for Canada, Provinces and Territories, 2005 to 2031* (Ottawa: Statistics Canada, 2005), pp. 42-3.
4 All statistics in this paragraph come from *Immigrants in Canada's Census Metropolitan Areas* (Ottawa: Statistics Canada, 2004), pp. 11-13.
5 *Aboriginal Conditions in Census Metropolitan Areas, 1981-2001* (Ottawa: Statistics Canada, 2005), p. 13.

Growth and Development

At our meeting in Québec City in the spring of 2005, the Committee heard from Jean-Paul L'Allier, Mayor for 16 years and at that point in his final term. We were influenced by his argument that city and community development does not necessarily require growth — a shared vision is essential to a city's future success, not an increase in population.

To reverse a perception that it was in decline, Québec chose to revitalize the centre of the city using available infrastructure and a design that does not compete with suburbia. The city created a park, which symbolically links the upper and lower towns. The University of Québec's School of Fine Arts is now housed in a large renovated building that exemplifies the renaissance of the area. While Québec has not grown in 15 years, it has developed greatly.

still face challenges in employment, with an employment rate lower than non-Aboriginal persons in each of the cities listed in Figure 6.

Environmental outcomes

Despite a greater level of awareness among citizens and governments, Canada's natural environment is under pressure from the effects of urban sprawl and the natural-resource and industrial sectors.

Overall, ground-level ozone has increased since 1990 (see figure 7, page 8), and with it, health problems.[6] Yet there are some positive signs. According to Environment Canada, the concentration of some air pollutants has decreased in urban centres, due largely to a drop in emissions from road transportation.[7] Ozone concentrations vary across the country, with the highest concentration in Southern Ontario.

Employment and population growth by CMA, 1989-2003

	Employment					Population				
	1989	2003	Growth, 1989-2003	Growth rate	Share of total growth	1989	2003	Growth, 1989-2003	Growth rate	Share of total growth
Toronto	2,144,900	2,676,900	532,000	24.8	19.3	3,084,600	4,149,600	1,065,000	34.5	24.5
Montreal	1,543,400	1,795,900	252,400	16.4	9.1	2,567,100	2,904,200	337,100	13.1	7.8
Vancouver	799,200	1,110,800	311,600	39.0	11.3	1,257,700	1,777,200	519,500	41.3	11.9
Ottawa-Hull	488,100	608,600	120,500	24.7	4.4	720,200	913,200	193,000	26.8	4.4
Calgary	389,900	594,900	205,000	52.6	7.4	557,800	836,900	279,000	50.0	6.4
Edmonton	415,600	536,700	121,100	29.1	4.4	623,700	783,100	159,400	25.6	3.7
Québec	298,100	358,600	60,500	20.3	2.2	505,300	576,400	71,200	14.1	1.6
Winnipeg	331,500	361,700	30,200	9.1	1.1	520,200	541,300	21,100	4.1	0.5
Other CMAs	2,180,000	2,549,800	369,800	17.0	13.4	3,452,300	4,055,400	603,100	17.5	13.9
all-CMAs	8,590,700	10,593,900	2,003,100	23.3	72.6	13,288,900	16,537,300	3,248,400	24.4	74.7
non-CMAs	4,395,800	5,152,100	756,400	17.2	27.4	7,613,000	8,713,300	1,100,300	14.5	25.3
All	12,986,400	15,746,000	2,759,500	21.2	100.0	20,901,900	25,250,700	4,348,800	20.8	100.0

Source: Labour Force Survey, 1989-2003. Age 15+.

Figure 4: Employment and population growth by CMA, 1989-2003

6 *Human Health Effects of Ozone: Update in Support of the Canada-Wide Standards for Particulate Matter and Ozone* (Ottawa: Jeff Willey et al., 2004); for air pollution mortality rates see: R. Burnett, S. Cakmak, and J.R. Brook, "The Effect of the Urban Ambient Air Pollution Mix on Daily Mortality Rates in 11 Canadian Cities," Canadian Journal of Public Health LXXXIX (1998): pp. 152-156. *Canadian Environmental Sustainabilty Indicators 2005* (Ottawa: Environment Canada, Statistics Canada and Health Canada, 2005), p. 4.

7 *National Air Pollution Surveillance (NAPS) Network: Air Quality in Canada 2001 Summary and 1990-2001 Trend Analysis.* (Ottawa: Environment Canada, 2004), pp. 56-60.

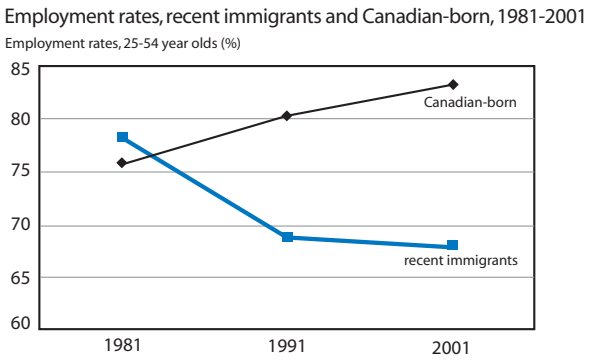


Figure 5: Employment rates, recent immigrants and Canadian-born, 1981-2001

Greenhouse-gas emissions have also increased significantly since 1990, as Figure 8 indicates. While the increase paints a bleak picture, it is worth noting that greenhouse gas emissions have fallen relative to GDP. Although emissions rose 24% between 1990 to 2003 (from approximately 596 to 740 megatonnes of carbon dioxide), they actually dropped by 13% relative to economic activity.[8]

Prosperous cities

Cities are mostly growing, but they are also changing in form. Between 1996 and 2001 the average distance of a job from the centre of a CMA rose modestly from 10.4 km to 11 km. This net increase was not due to job declines close to the city, but was primarily attributable to suburban growth. All of the big cities (with the exception of Vancouver) recorded substantial job gains in both their cores and their suburbs. That pattern emerged despite significant manufacturing job losses in cores. City cores displayed resilience in job replacement: CMA cores added a net 156,000 jobs while losing 50,000 manufacturing jobs.[9]

The performance of city cores in retaining and adding population and households was also significant. Most (but not all) cores have raised their competitive capacity. Core area decline is a considerably less important policy concern than the management of growth in cities' cores and suburbs.

Other urban trends

The urban challenges we confront are not simply about the number of jobs and total population. They also involve how households fit into the structure of CMAs and how the mesh of where people live and work affects neighbourhoods, services, commuting and social cohesion. The statistical reviews and reports prepared for the Committee suggest several noteworthy trends:

- Many Canadian cities have a job mismatch problem; job losses in city cores have left Canadians with longer commutes to work.
- Job mismatch and predominantly suburban growth are also raising shopping and socializing distances, motor-fuel consumption per capita and greenhouse gas emissions. The environmental footprints of cities are growing.
- Traffic congestion and lost travel time because of commuting are rising significantly.

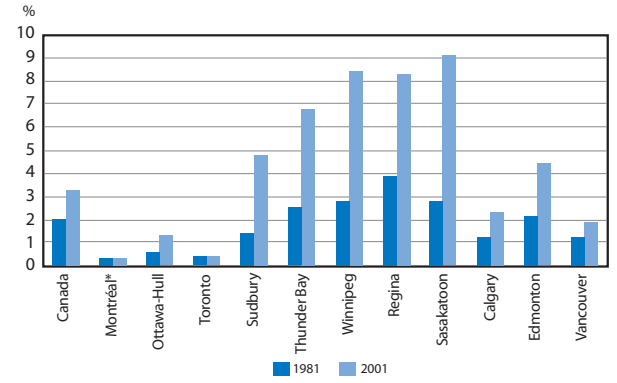


Figure 6: Aboriginal population as a percentage share of the total CMA population, 1981 and 2001

8 *Canadian Environmental Sustainability Indicators 2005*, p. 10.
9 All statistics in this paragraph come from *Work and Commuting in Census Metropolitan Areas*, 1996-2001 (Ottawa: Statistics Canada, 2005), pp. 9-19.

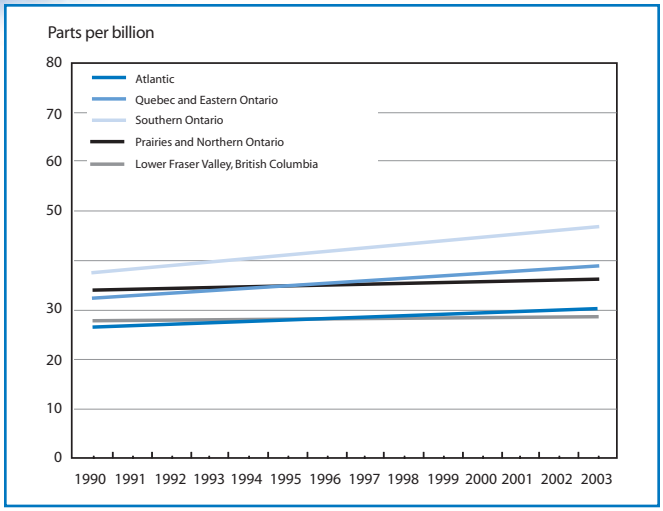


Figure 7: Seasonal average ground-level ozone concentrations, selected regions, 1990 to 2003

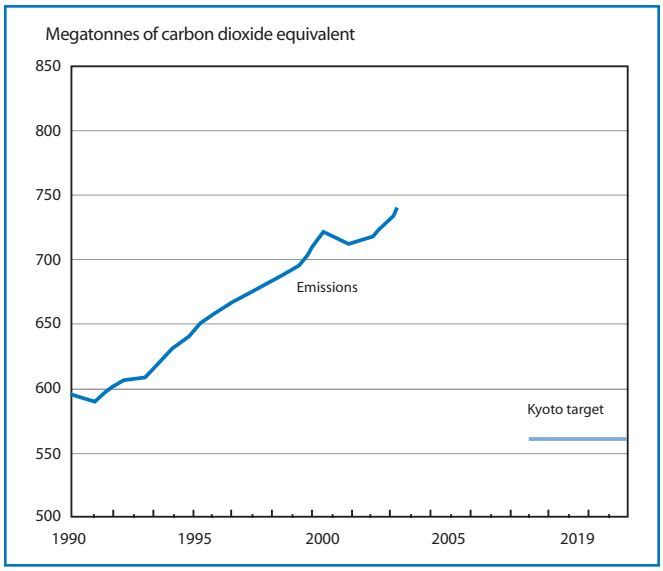


Figure 8: Greenhouse gas emissions, Canada, 1990-2003

- CMA employment rates and incomes are rising and exceed the national average. We noted a widespread divergence in the real incomes of those in the lowest 10% of earners and in the highest 10%, with a fall in the real incomes of the poor in seven CMAs over the last decade.

Photo: Corel Corporation

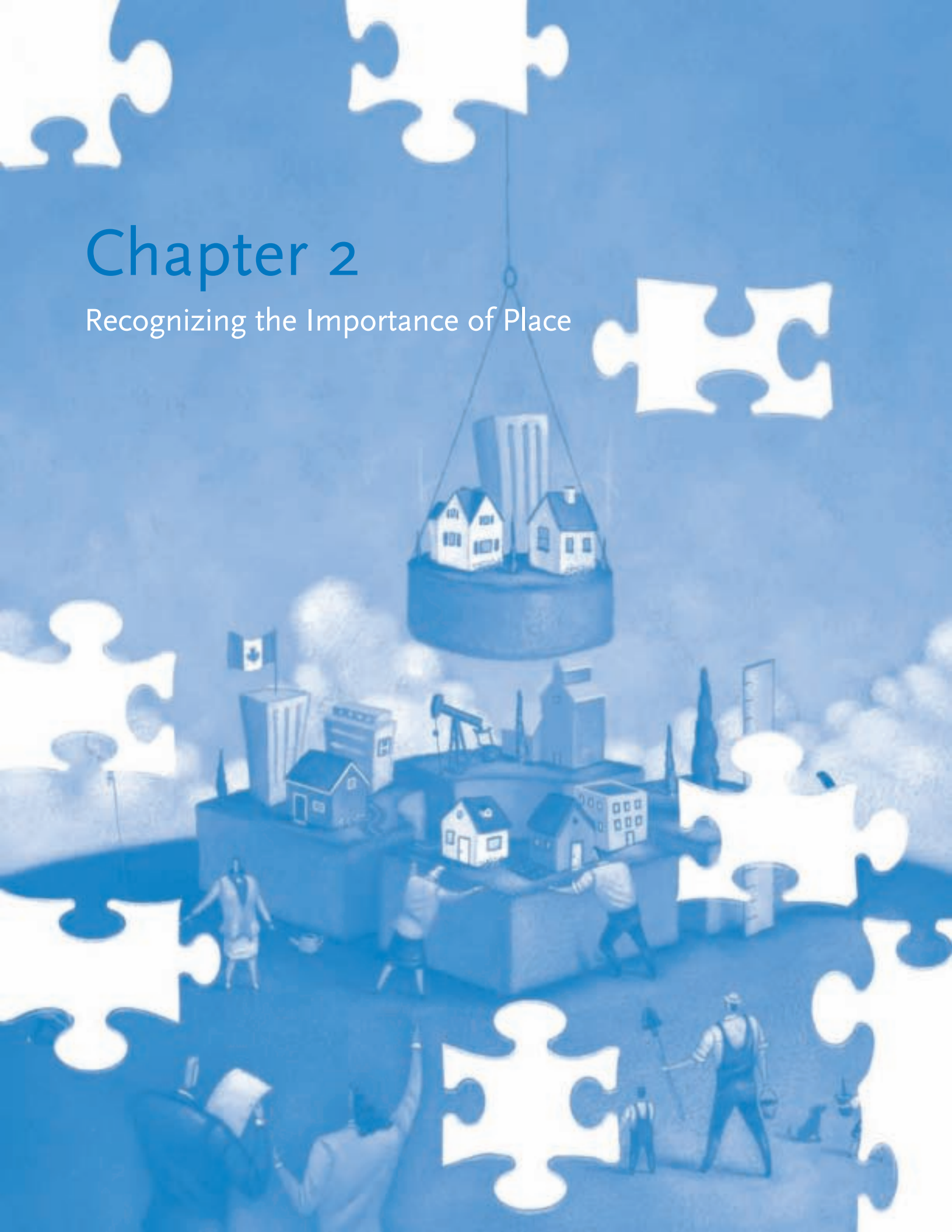
Aerial View- Calgary, Alberta

- The proportion of poor neighbourhoods in CMAs has remained relatively constant, although the concentration of poorer households in these neighbourhoods has increased markedly.
- Poorer neighbourhoods both in city cores and suburbs are increasingly (and disproportionately) the living areas for recent immigrants and urban Aboriginals.
- Higher crime rates, poorer health, lower educational attachment, higher illiteracy rates and lower economic participation rates increasingly typify Canada's recently concentrated neighbourhoods of poverty.
- Since 1990 the number of neighbourhood concentrations of visible ethnic minorities has increased considerably, but not all these places are poor.

These trends suggest that place is an important concern for Canadian cities and communities. At the level of the CMA or city-region, the main challenge is to sustain continuing economic progress and raise the potential of poorer performers. At the neighbourhood level, an emerging problem within most CMAs is the negative effects arising from concentrating poverty — places are becoming less clean, less green and much more mean. And at the wider environmental level, city growth patterns could affect strategies directed to the issue of climate change.

Chapter 2

Recognizing the Importance of Place



Chapter 2
Recognizing the Importance of Place

In the context of recent economic and social trends among Canada's cities and communities, the Committee's research and consultations have led us to four findings:

- while future challenges for Canada will have global origins, responses will be local and shaped by a strong sense of place
- Canada's places are varied and different, with different opportunities, desires and capacities
- Canada should be at the forefront of high-quality thinking and action about places, and
- no single order of government can resolve Canada's challenges affecting our varied places.

1. While future challenges for Canada will have global origins, responses will be local and shaped by a strong sense of place

Canada is caught up in global currents, and is not entirely the master of its own destiny. The Committee was mandated to develop a vision for the future of our cities and communities; early in our deliberations, however, we recognized that a predetermined utopian vision was not what was required. We cannot expect perfect outcomes for all of our places, and we should not hide behind rose-coloured glasses. Instead, we must consider what global trends may mean for our communities, and how best to meet those trends. We identified four particularly relevant drivers of change: globalization, demography, security and the environment.[1]

Photo: Corel Corporation

Light bridge on old canal, Welland Canal

Globalization

- Over the next 30 years, emerging markets such as China, India, Brazil, and Russia will drive economic growth; Japan and western Europe will decline in relative significance, in part due to their aging populations.
- Future growth will exacerbate the shortage of natural resources. Emerging markets will dominate the manufacturing sector, likely making further inroads into the service sector, and will continue to need Canada's natural resources.
- Projected crude-oil shortages will dramatically increase gasoline prices. The increase in the cost of transporting goods and of commuting may drive up prices in urban cores, and hurt rural and suburban economies.
- Emigration from emerging and poor countries is likely to rise and immigration into Canada will increase as international labour markets converge, although not as fully as capital markets.
- Economic change will be uneven, and despite probable rises in income the relatively poor will remain poor. Lower-income households will have fewer chances to move from poor to better places; unless communities are mixed, the absence of social cohesion will reduce both the compactness and

1 Projections drawn from *The World and Canada: Trends Reshaping our Future* (Ottawa: Conference Board of Canada, 2005), pp. 71-94 and 101-124 (globalization), 131-147 (demographics) and 151-179 (security); Enid Slack, Larry Bourne and Heath Priston, *Large Cities Under Stress: Challenges and Opportunities* (Report prepared for the External Advisory Committee on Cities and Communities; Toronto, 2006), pp. 23-26; environment: *Climate Change Impacts and Adaptation: A Canadian Perspective* (Ottawa: Natural Resources Canada, 2004).

We cannot expect perfect outcomes for all of our places, and we should not hide behind rose-coloured glasses. Instead, we must consider what global trends may mean for our communities, and how best to meet those trends.

competitiveness of our cities.

Demography

- Canada's population is aging, and natural growth is not sufficient to maintain current labour-force levels. Aging of the baby-boom generation will slow labour-force growth in the next several decades, bringing it from ranges of 2%-3% annually in the 1970s and 1980s to 0.2% by the 2020s.[2]
- Currently the only population groups projected to rise in numbers are the Aboriginal community and new immigrants; by 2020 they will account for almost all growth in the labour-force.
- New immigrants and Canada's Aboriginal peoples are two of the most at-risk groups in Canadian society, more likely to be unemployed and when employed, earning significantly less than other workers.
- Energy, shelter and land costs will rise considerably, and we may have to evolve new patterns of consumption and living. As the population densities of cities increase, anti-social behaviour, crime and the fear of crime could have corrosive effects; those who can afford it may live elsewhere and commute into cities only to work.
- The economics of demographic change may see altered life patterns among Canadians up to the age of 30, as young households pay education debt and secure deposits for less affordable homes. Many 25 to 30-year-old Canadians from middle-income backgrounds will have less career certainty and fewer housing assets than their parents did, resulting in their living downtown longer as single renters. This new generation may be more alienated from government than earlier generations, and less likely to explore sustainable futures for the nation.
- An aging population may require changes to the design of public spaces and accommodations, to aid mobility concerns.

Photo: Corel Corporation

Inuit Girls With Their Dogs

Security

- Current indicators suggest that global security will become more unstable in the future; key tensions will include increasing wealth disparities, religious and ethnic differences, the unchecked global spread of disease and different attitudes to environmental futures. Preparation for security emergencies and natural disasters can increase the resilience of communities.
- Canada's stability and location may lower the risk of a direct security challenge, but its openness potentially puts it at risk. Failure to integrate immigrant communities fully may lead to social isolation among some, economic inequality and potential social unrest.

2 *Can Policy Slow the Projected Reductions in Canadian Labour Force Growth?* (HRSDC Policy Research Note; Gatineau, Quebec: Human Resources and Skills Development Canada, 2004), p. 1.

The environment

- Possible changes in climate could have negative effects on some of Canada's natural resource industries, such as fishing, farming and forestry in many areas of the country, but could have positive effects in other regions as now barren land becomes arable. Changes in our natural environment may have an impact on our transportation networks, opening new ports in the north but potentially flooding or destroying systems elsewhere.
- Current patterns of urban sprawl suggest that Canada's cities will continue to grow, and with them, commuting times and congestion. Better planned, more compact cities might reduce both the environmental effects and the social consequences; Canadians will have to become comfortable with better designed and denser living.

Photo: Corel Corporation

The Narrows, St. John's, Newfoundland, Canada

- Canadians will continue to recognize environmental impacts on their health and well-being. These sensibilities will rise inexorably and so too will pressures on governments to act. Households have gradually come to recognize what was, for some, a difficult relationship between personal behaviour and personal, family and social consequence. 30 years ago, for instance, few people would have predicted the lowered smoking rates that now prevail nationally.

Community resilience

Ashutosh Varshney's book *Ethnic Conflict and Civic Life: Hindus and Muslims in India* (2003) examines why apparently mild events in some Indian cities set off serious religious riots, with hundreds dead and injured, while in other cities with comparable populations of Hindus and Muslims even serious religious crises are handled by local citizens without threat of serious disturbance.

Professor Varshney found that the resilience of the community dictates how it handles the event, rather than the scale or nature of the event that sparked the disturbance. In areas where there were strong networks of civic engagement between Muslims and Hindus — such as integrated business organizations, trade unions, political parties, and professional groups — ethnic violence seemed more controllable and the possibility for confrontations less likely to occur. This provides a lesson for Canada's communities. It is not future events that will dictate whether our cities and communities prosper or fail, but the resiliency of our communities in dealing with them and seizing opportunities wherever they lie.

The global economic context is one of remarkable growth and transformation. Canada has nothing to fear in that process if cities and communities become resilient places, able to meet challenges head-on and to seize opportunities as they are presented.

The Committee recognizes that it is an arrogance of a kind to make precise predictions for the future. But not thinking

forward is a kind of ignorance. We have to understand the present better, and recognize the skills and abilities we require for our cities and communities to be resilient for the future.

We want to see cities and communities that are competitive, cohesive, creative and compact. Our aims for Canadian cities and communities are that:

- they become our creative and competitive connections to a world of new opportunities
- they grow in well-being while leaving smaller environmental footprints, and
- they create diverse and decent neighbourhoods that attract new residents and do not hold back existing residents.

2. Canada's places are varied and different, with different opportunities, desires and capacities

The nature of places — remote rural communities, small towns, cities, city-regions and the neighbourhoods they contain — matters in shaping a better future for the nation. Many Canadians are aware that where they live may hold them back or help them forward. The problem of recognizing the importance of place seems to be a problem for Canada's policy-makers, but not for its people and its businesses.

During our extensive consultations we heard very different perspectives from Canada's large cities, medium-sized cities and rural and remote communities. For example, federal, provincial and territorial policies on immigration, social services, trade, environmental regulation and infrastructure investment, among others, affect large cities much differently from the way they affect small communities. Often medium-sized communities are uncomfortably pulled by some of the same challenges as large cities, without the same resources to deal with them.

The Committee recognizes that it is an arrogance of a kind to make precise predictions for the future. But not thinking forward is a kind of ignorance. We have to understand the present better, and recognize the skills and abilities we require for our cities and communities to be resilient for the future.

Consequently, we established subcommittees to focus on three sizes of communities: large and gateway; medium; and rural and remote. Each subcommittee developed ground-breaking research to support its work.

According to two studies we commissioned, Canada's large and gateway cities:[3]

- thrive on their links within Canada and to the world beyond through flows of goods, services, culture and ideas
- are socially and ethnically diverse, acting as powerful magnets for the young and highly educated and overwhelmingly the preferred destinations for new immigrants
- contend with jurisdictional overlaps among various orders of government and between government and the private sector (in the area of air transportation, for example)
- experience infrastructure congestion that impairs local livelihoods and increases noise and vehicle emissions
- are the preferred living places for mobile disadvantaged persons, despite a much higher cost of living (especially for housing) than in smaller cities

3 Slack et al., *Large Cities Under Stress*, pp. 9, 20, 32; InterVISTAS Consulting, *Gateway Cities in Canada* (Report prepared for the External Advisory Committee on Cities and Communities; Calgary, 2006), pp. 29-32.

- exhibit marked increases both in incomes and in ethnic segregation, especially over the last two decades, so that income disparity and cultural alienation are looming larger, and
- face serious local issues related to security and smuggling.

In the large and gateway cities new problems are being fashioned for Canada. But so too are new opportunities.

Photo: photolux

Suburban housing

Aware of the lack of data on mid-sized cities, our subcommittee on medium-sized communities launched an online consultative process, bringing together experts and stakeholders from across the country and internationally to identify issues that may be particular to mid-sized communities. The findings from this process indicated that mid-sized cities avoid some of the disadvantages of big cities, with lower levels of pollution, congestion and social segregation. Their scale and pace of life can be highly attractive. Unable to offer the same opportunities as metropolitan centres, however, they often lose their best and brightest citizens and must cope with declining populations. The 2001 census showed a net outflow of university-educated residents from smaller cities, with Regina, Sudbury and Saskatoon losing the highest percentage.

Mid-sized cities often rely heavily on a few industries or even a single industrial sector. Competing with large cities for investment is difficult, and city councils are constantly tempted to expand their tax bases with rapid, sprawl-producing development. Nevertheless there is also enormous potential for cooperation with surrounding communities, and the emergence of regional strategies and specialties.

Similarly, our subcommittee on rural and remote communities undertook a survey of appropriate associations and communities to seek their perspectives on issues affecting the future of rural communities in Canada. Their consultations found that rural and remote communities can offer social connections and mutual reliance. Many are located in beautiful natural settings, convenient to recreational opportunities and resource jobs, and may also boast low levels of pollution or congestion. These are not static or backward-looking communities. And despite the population shift toward cities, rural Canada remains critical to our economy, accounting for 22% of our GNP, with one-third of that coming from resource-based industries.[4]

But these communities are often economically precarious because their prosperity frequently relies on the value of a single commodity in volatile markets. Most of the value-added processing of Canada's resources happens far from the communities that produce them; little of the research and development related to those industries is carried out near the communities and rarely involves coordination with them. The flight of educated young people to cities is a nearly universal problem. As one Committee member said, "When our kids leave home, we say goodbye forever."

4 *Important Facts on Canada's Natural Resources (as of November 2004)* (Ottawa: Natural Resources Canada, 2004), pp. 1-2.

A nutritious food basket purchased in Ottawa would cost 65% more in Iqaluit and 112% more in Whale Cove, Nunavut.

Social challenges are not solely big-city concerns. Without the advantages of scale that larger communities offer, rural communities may find it difficult to offer such basic services as education and health care — a problem compounded by shortages of skilled trades people, emergency-services personnel, doctors and teachers.

That difficulty becomes more pronounced in isolated communities, with Aboriginal communities facing some of the toughest hardships of all. The problems are exacerbated by the dramatically higher prices paid in remote communities: a nutritious food basket purchased in Ottawa would cost 65% more in Iqaluit and 112% more in Whale Cove, Nunavut.

3. Canada should be at the forefront of high-quality thinking and action for places

Geography can shape opportunities and the ways in which places adjust to external changes. The challenge for all governments in Canada is to recognize the ways that place matters and then to promote the human geography that is good for Canada in the long-term: avoiding poverty concentrations within cities and needless sprawl beyond our suburbs, for example.

Many still see policies on place as essentially palliative or redistributive, simply displacing tax revenues and jobs from one locality to another, often with negative effects for national growth. The Committee believes that it is

Photo: Corel Corporation

Traffic lights, Sherbrooke

essential for places to be helped to adjust when change brings unacceptable inequalities or market failures with it. We see policies on place as important elements of strategies for competitiveness and creativity, answering two fundamental questions:

- what are the possible futures for this place?, and
- how can the desired future be achieved creatively?

Canada needs to catch up with other countries on the issue of place. Many OECD governments — including France, the Netherlands and the UK — have conducted major research and policy reviews of cities and their effects on competitiveness, inclusion and sustainability. Numerous cities, states and provinces in other federal systems (notably the US and Australia) have rethought how place matters. Many have produced remarkable economic outcomes as well as rebuilt fine cities, from central Chicago to modern Melbourne. Among other significant findings, these efforts determined that:

- places can compete, and the response to global challenges is often local action[5]
- major economic sectors benefit from cluster effects, so that the patterns of places impact national productivity[6]

5 Duncan Maclennan, *Cities, Competition and Economic Success* (Ottawa: City of Ottawa, 2006), *forthcoming*.
6 Michael E. Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990).

- creativity and innovation are fostered by proximity and density in social and economic networks, and so economic progress reflects both social vitality and geography[7]
- unequal economic outcomes concentrated by urban land and labour markets mean a costly and negative dynamic of social exclusion, poor health, incomplete education, costly crime and lost opportunities; social disadvantages in neighbourhoods can destroy economic opportunities[8]
- both low-quality places and expensive high-quality places have inhibiting effects on attracting the creative classes, computer engineers, caregivers and cleaners who will be required to sustain future growth at past rates, and

Photo: Corel Corporation

Canal locks, Rideau Canal, Ottawa, Canada

- the shapes of cities and their density of development can have significant and complex effects on environmental outcomes, especially the production of greenhouse-gases.

These effects of place are by no means all urban. Canada's resource and farming communities, facing trade disputes and border issues with the US and fluctuations in commodity prices, have experienced steep reductions in their abilities to cope at the very time their residents need help the most. For others — communities involved in the petroleum and natural gas sectors such as Fort McMurray, Alberta, for example — soaring prices have created the opposite problem: booming local economies that require a massive influx of outside workers, without the social and physical infrastructure to accommodate them or to attract their families to move with them.

At the time of Confederation, Calgary was a small town, Halifax our booming gateway, and Toronto was a city of barely 45,000 residents. When they decided on the division of powers and the allocation of resources and responsibilities, none of the drafters of the British North America Act *could have imagined the urban Canada of the 21st century.*

Governments in Canada have lost their sense of place in policy-making. We lag competitors in understanding how the geographies arising from current economic and social changes shape our capacity to achieve our ambitious aims for the future. We pay too little attention to how the quality of places fashions economic success. Understanding how our places work, and managing them more effectively, are central to better Canadian futures and to reducing the extent and costs of unequal outcomes today.

7 Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002).
8 Steve Pomeroy, *Rethinking Neighbourhood Renewal: Review of the US Experience and Possible Lessons for Canada* (Ottawa: Caledon Institute of Social Policy, 2006); Duncan Maclennan, *Remaking Neighbourhood Renewal: Towards Creative Neighbourhood Renewal Policies for Britain* (Ottawa: Caledon Institute of Social Policy, 2006).

4. No single order of government can resolve Canada's challenges affecting our varied places

At the time of Confederation, Calgary was a small town, Halifax our booming gateway, and Toronto was a city of barely 45,000 residents. When they decided on the division of powers and the allocation of resources and responsibilities, none of the drafters of the *British North America Act* could have imagined the urban Canada of the 21st century.

In this context we have to consider the capacity of people, organizations and places to develop the skills that will allow Canadians to embrace and create change. As individuals we require resilience — the capacity to meet challenges, to take hard knocks and to recover and continue to progress in the long-term. The same qualities are required for places and nations that seek to be successful in the future.

Much policy-making for places is not about extra resources for one location or another, but about the ways in which different orders of government, communities, citizens and business interests can find better ways to manage the places in which they work and live.

Some cities and communities in Canada fully recognize governments' new emphasis on program outcomes, the imperatives for innovation and the importance of governance across sectors, governments and the wider community. Encouraging developments are already under way, ranging from innovative land-use planning in British Columbia to integrated approaches to crime reduction in Halifax. But new governance arrangements for urban regions and neighbourhoods should be introduced where they are needed across Canada and be given real responsibility for delivering change, rather than just talking about it collaboratively.

Photo: Corel Corporation

Thetford Mines, Quebec

There has also been a recognition that much of the amalgamation of supply-side policies for the economy should be undertaken at the metropolitan or regional level: transportation and labour-market measures, for instance. Social policies that support neighbourhood revitalization, such as crime prevention and housing design, are increasingly being integrated at the even more local scale of neighbourhoods and communities. And encouraging a creative class within our cities will require action at both the regional and neighbourhood levels, as in aligning city-wide higher education with housing and neighbourhood projects.

Integrated approaches to policy-making are unavoidable when serious policy outcomes are to be met. And many of these connections have to be made not in offices in the nation's capital but in the homes, streets, neighbourhoods and villages of Canada.

Understanding the importance of places provides the context for integrated policies to address cross-sectoral issues, ranging from low productivity to degraded environments. The Committee believes that considering place in isolation from people will not improve public policies for Canada. Instead, we take the view that policies for places are essentially concerned with the development of place management and governance frameworks that link the interests of citizens and the policies of multiple orders of government in the most effective ways.

Recommendation 1:

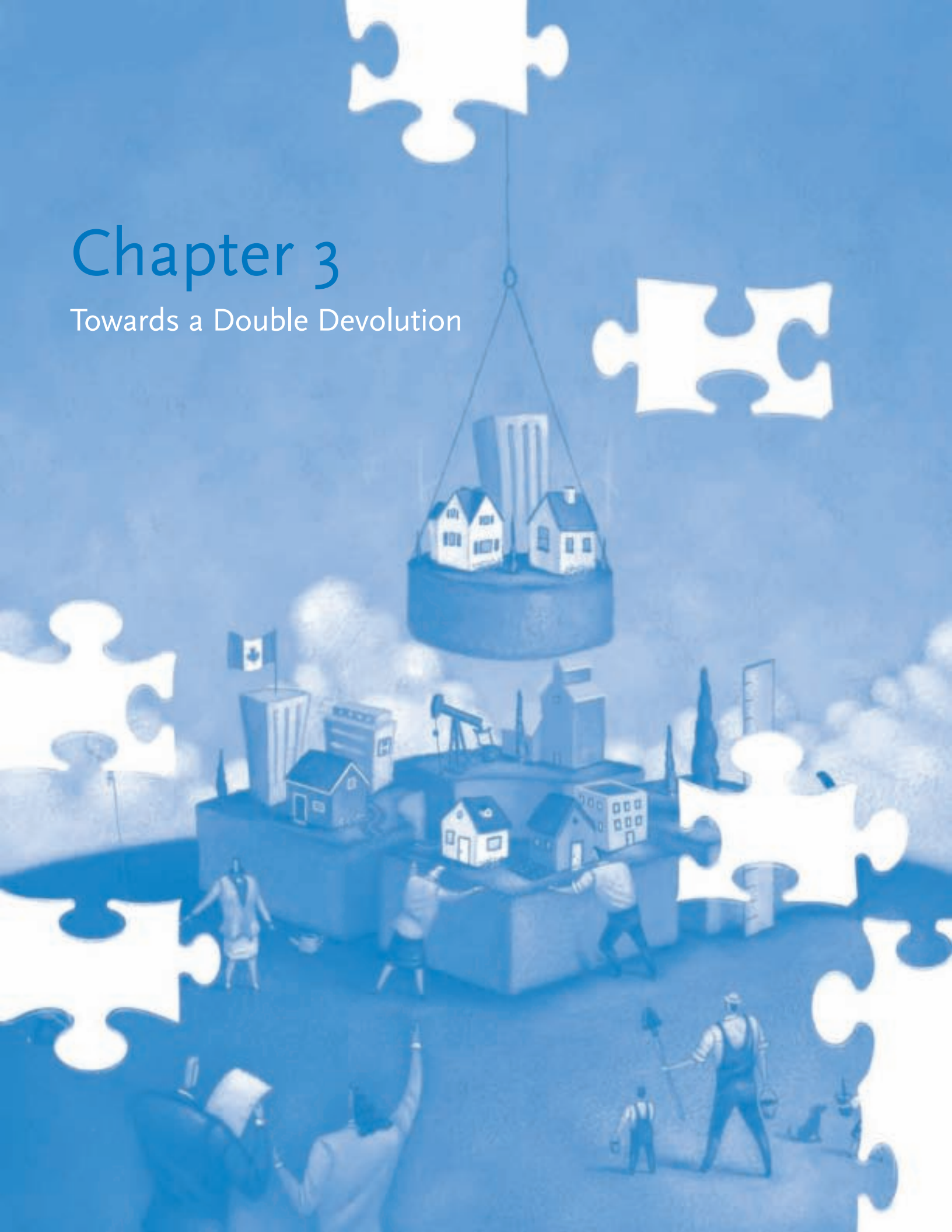
The Committee therefore recommends that all governments in Canada adopt a place-based approach to policy-making, which will allow them to foster better capacities to understand, develop and manage Canada's places for the future. Specifically, the Committee recommends that the leadership role of the federal government be one of facilitation and partnership with other orders of government and civil society, to deliver locally appropriate solutions to issues of national consequence playing out at a local level.

Photo: Corel Corporation

Edmonton, Alberta

Chapter 3

Towards a Double Devolution



Chapter 3
Towards a Double Devolution

Following our examination of a place-based approach to policy-making, we have found that:

- ineffectual governance arrangements damage the global competitiveness of Canadian cities, communities and businesses, and
- all orders of government urgently need to review existing government and governance arrangements to find ways to serve the needs of communities and the nation better, through effective partnerships that help to combine each player's tools for solving commonly defined challenges coherently and efficiently.

1. Ineffectual governance arrangements damage the global competitiveness of Canadian cities, communities and businesses

In recent months the federal government has put accountability and transparency in government at the core of its programs. We welcome that emphasis for all of Canada's governments and public bodies.

Canada has experienced a decade of devolution of responsibilities from federal to provincial and territorial governments, and from provincial and territorial governments to municipalities but without increased autonomy to make resource choices. With buoyant federal tax revenues and increasing expenditure pressures for provinces and territories, a pronounced fiscal imbalance has emerged. The Committee welcomes the federal government's aim to reduce that imbalance. However, the Committee believes that more must now be done to strengthen the devolution process, to clarify the roles of different orders of government and to improve governance arrangements that affect cities and communities.

We reached this view because there are strong arguments for embracing new, devolved government arrangements for Canadian communities. The Committee noted much recent devolution to more local governments in the OECD countries. For instance, in the last 20 years major shifts of power have occurred to regions and cities in highly centralized countries such as France, Spain and the UK, and to strong city-state structures emerging around the Pacific Rim.[1] In part this has been a response to the pressures of globalization to manage more effectively and locally. We identified three main assumptions underpinning these shifts:

- Numerous governments, most notably the European Union, have espoused the principle of local autonomy (also called subsidiarity), arguing that government roles and resource bases should move to the most local levels at which they can operate effectively. This approach assumes that decisions are best made as close to consumers and taxpayers as possible, and that transparency and accountability in service delivery will be improved.
- Public policy and management are increasingly concerned with high-level outcomes — such as competitiveness and sustainability — that are influenced by a multiplicity of programs. These programs may be the responsibilities of different orders of government; consequently multi-sector action often also means multi-order cooperation and coordination, usually undertaken locally.

1 Tony Travers, "Governance For Metropolitan Sustainability," unpublished presentation to the OECD-Government of Canada Conference on *Sustainable Cities: Linking Competitiveness with Social Cohesion*, Montreal, 13-14 October 2005.

- Resolving complex public-policy problems involves not only governments but also communities, not-for-profit organizations and businesses, and so governance arrangements become crucial in managing change. Because city markets and policy concerns seldom stop at municipal boundaries, neighbouring governments have to form coalitions of interest; within them governance arrangements may also need to be developed to deal with concentrated neighbourhood difficulties.

2. All orders of government urgently need to review existing government and governance arrangements

Individuals, firms, communities and nations suffer if the structures of government and processes of governance are inappropriate. The Committee is clear that Canadian governance arrangements now penalize the competitiveness of our people and places.

The Committee takes the view that it is time to change the flow of power and responsibility, so that Canadians are able to work together to shape the futures of their own communities and thus the country. It is time for a profound transformation in the federal government's role from being prescriptive, controlling and sectoral to becoming enabling, deft and integrated — and, where relevant, place-based.

Different orders of government must recognize the interdependence of what they do. More local orders of government have to recognize that their individual choices and policy outcomes can collectively have important national effects. For instance, if all governments simultaneously try to increase borrowing substantially it may drive up interest rates. Equally, for federal programs to be most effective they often have to be conjoined with local actions.

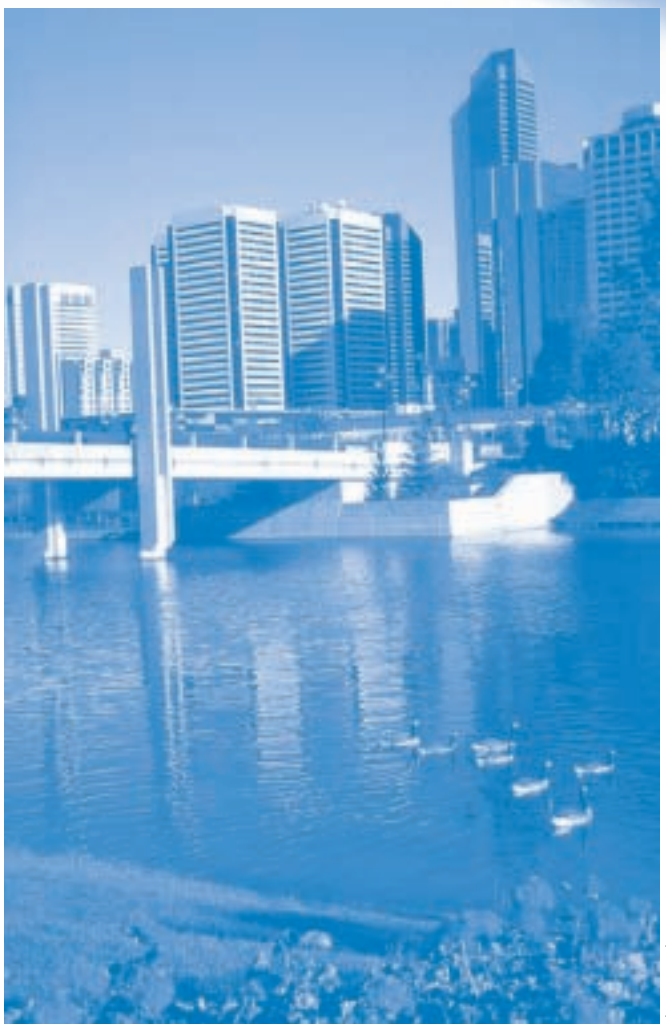


Photo: Corel Corporation

Along the Bow River, Canada

Most commonly it will be provincial, territorial and municipal decisions that shape the competitiveness of particular places, but the federal government will also have significant roles. These federal roles will involve developing:

- wider national understanding of the importance of place
- better international branding of Canadian places (while our cities are varied and high quality, they are less well known and less often visited than they could be)
- stronger connectivity across provinces and territories, not least in communications and transport infrastructure, so that the things that single provinces, territories,

cities and communities cannot do are done; every effort should be made to integrate federal actions with local interests and supportive local actions

- freer flows of domestic trade, capital and labour across Canada
- more engaged citizens at the heart of good governance among communities by building the capacity for citizen engagement; the federal government should start in its own decision-making practices, build skills in conducting and participating in the process of citizen engagement, and share the knowledge gained with local governments
- policies recognizing the economic, environmental, social and cultural dimensions of sustainability to break down policy silos
- new ways to integrate programs and regulations across jurisdictions
- appropriate office locations (devolution may mean new specializations for federal staff and departments, but where federal and local actions have to be conjoined there is a case for a federal presence closer to communities served by these partnerships), and
- national and international understanding of best-practice policies for regions, cities and neighbourhoods; the federal government should serve as a leader in ideas and as a convener and facilitator, bringing people, governments and institutions together to help design solutions to be chosen and applied locally.

Above all, the federal government must make sure that Canada collectively is a strong nation by allowing better local choices.

The immediate task for the federal government is to reinforce the modernization of government in Canada, with its provincial, territorial and municipal partners. Making sure that fiscal arrangements are explicit is at the heart of this modernization. National programs that are to affect particular places must be clear in their scale, timing and expected outcomes. Devolved program responsibilities must be matched either with devolved fiscal autonomies or with equalization and block grant arrangements that allow the desired degree of choice for the other governments. Devolution should not simply mean earning fiscal surpluses easily at one level by dumping responsibilities without resources more locally.

Photo: Spike Bell

Windsor, Ontario

The Committee was persuaded by arguments for greater local autonomy and integrated approaches in policy-making. Regional governments in the OECD, similar in scale to Canadian provinces and territories, have crucial strategic roles in selecting priorities for places, policies and programs. Intercity networks, city-region effects and city-to-rural connections are valuable aspects of development that are less than national in scope and more than municipal in their functioning. Devolution to the provinces and territories is important, but we believe that the fundamental necessity for better management of places will be for provinces and territories in turn, to devolve clear tasks and resource bases to municipalities.

Devolution stopping at the provincial and territorial level misses the point. Municipalities and groups of municipalities have central roles in providing leadership and vision, in delivering services and in regulating and taxing localized markets. The Committee believes that more responsibility and capacity is required for Canadian communities because:

- municipalities are the level of government closest to Canadians; elected representatives and municipal staff are drawn from the community and its immediate surroundings
- the services that local governments deliver have an immediate, clear impact on the local quality of life; the speed of snow removal, the frequency of garbage pickup, the reliability of transit services and the availability of shelters for the homeless all directly shape the daily realities of Canadian life, and
- opportunities for engagement are more immediate, and the effects are often more tangible — opportunities such as neighbourhood boards and committees, city-wide consultations and indirect involvement through voluntary organizations.

Yet the municipal level of government is also the level with the least degree of autonomy, both in the authority to make decisions and the resources to act on them.

We are therefore calling for a shift of responsibility and capacity to municipal governments. This has a particular resonance in Aboriginal communities, where autonomy is the key to a future of confidence and self-reliance. The federal, provincial and territorial governments should allow cities and communities a greater degree of freedom in decision-making on issues that have the largest impact on their citizens. Our call, however, is contingent on municipalities also being willing to devolve choices to neighbourhood initiatives through good governance arrangements, and to give full support and respect to non-profit and community-based providers (such as providing affordable homes to low-income urban renters). Silos, risk aversion and detachment from citizens are no more acceptable at the community level than they are at any other.

An attitude of flexibility on the part of all three levels of government would give communities considerable latitude in setting local priorities and agendas.

An attitude of flexibility on the part of all three levels of government would give communities considerable latitude in setting local priorities and agendas. Measures such as the proposed *City of Toronto Act* have established that provinces can delegate powers effectively.[2] In some cases — where several cities occupy the same region, mid-sized cities have many nearby smaller communities, or where rural communities can cooperate to greater effect — regional coordinating bodies established by local communities can play a significant role.

Ultimately, this shift will give Canadian communities a more meaningful role in charting their futures.

Expanded responsibilities and the capacity to achieve them

We have spoken to leaders from many communities, of all sizes, from all parts of the country, and on one point there is complete unanimity: increased local responsibility without increased local resources is a recipe for disaster. Communities must have the means as well as the authority to set their own priorities.

Currently Canadian municipalities rely heavily on property taxes to generate revenue, accounting for more than 90% of local government tax revenues.[3] Yet as Enid Slack noted in a presentation to the Committee, property taxes do not

2 Bill 53, *The Stronger City of Toronto for a Stronger Ontario Act*, 2005, was still being considered by the Legislative Assembly of Ontario when this report was prepared.

3 Enid Slack, *Fiscal Imbalance: The Case for Cities* (Ottawa: Federation of Canadian Municipalities, 2006), p. 5, citing *Revenue Statistics* 1965-2003 (Paris: Organization for Economic Cooperation and Development, 2004), Tables 136 and 138.

operate as a benefits tax for commuters and visitors who use municipal services such as roads and policing; they are not elastic in the sense that they do not increase automatically as the economy grows, as in the case of income and sales taxes.[4] In some provinces, municipalities are also able to levy selective sales taxes such as taxes on hotel and motel occupancy, but these arrangements are essentially ad hoc and not available nationally.

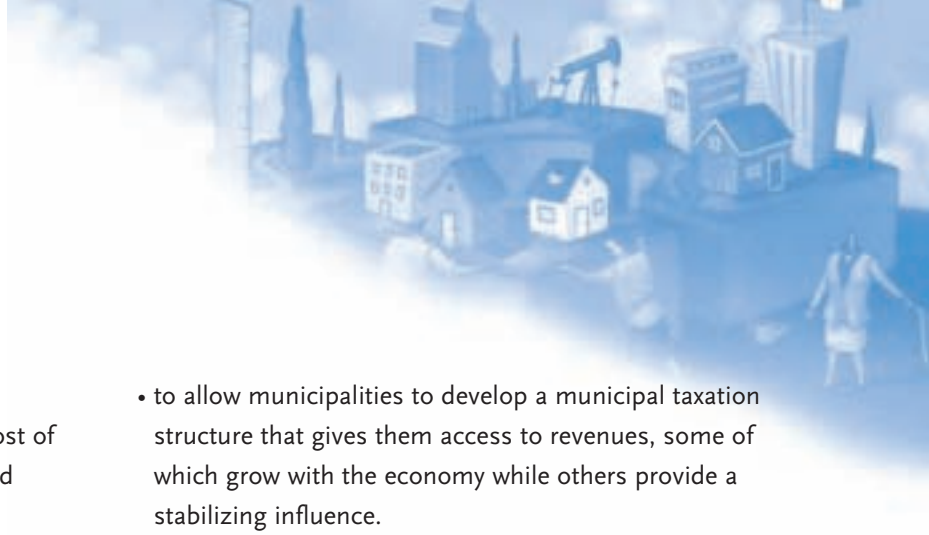
Although Canadian municipalities normally have balanced budgets (as they are required by law to do), they are not necessarily fiscally healthy. Many have underinvested in services and infrastructure essential to their economic growth, such as transportation, roads, sewers and recreational facilities. At the same time municipalities are required by provincial and territorial governments to deliver services.

The 2005 gas tax agreements were set up to help redress this issue; under the agreements, the federal government provides the provinces and territories with amounts equivalent to a portion of the federal excise tax on gasoline for environmentally sustainable municipal infrastructure projects. With the expiry of the agreements in five years, municipalities should gain the authority to make the transition from revenue sharing to revenue empowerment. While some sources of revenue may be local, others will be national. Among the measures the federal government should consider are revenues linked to growth in personal income-tax revenue, tax points on GST revenues, and making a mix of tax revenue available, some of which grow with the economy while others provide a stabilizing influence. Any federal decision should be made in the context of a continuing process of reviewing and renewing community plans.

Photo: Corel Corporation

Arctic Homes

4 *Presentation to the External Advisory Committee on Cities and Communities Meeting* (Toronto: Enid Slack Consulting Inc., 26 April 2004).



Our discussions took place against a backdrop of competing fiscal priorities. In particular, the rising cost of health care puts considerable pressure on federal and provincial and territorial governments. Longer term investments have been dropped or devolved. As a result, municipalities have been required to take on financial burdens such as local infrastructure. The Committee concluded that property taxes are not an adequate base for municipalities to meet their infrastructure challenges. In reducing the burden of its own taxes, the federal government should allow cities and communities some more substantial degree of autonomy in revenue-raising. While this issue may take some time to resolve, we also feel that allowing access to a tax base that grows with local economic activity would provide an incentive for investments that promoted city incomes and growth.

Recommendation 2:

The Committee therefore recommends a *double devolution*, shifting responsibilities and resources from the federal government to the provincial and territorial governments and then from the provincial and territorial governments to the local level; the double devolution should ensure that choices about how to raise and use resources, including tax choices, move to the most appropriate local levels, where accountability to citizens is most direct.

Double devolution has two principal purposes:

- to make sure that all orders of government, with relevant partners from business and civil society, work together to implement governance arrangements that are locally appropriate, including arrangements dealing with significant city-region and neighbourhood issues that may not necessarily correspond with government boundaries, and
- to allow municipalities to develop a municipal taxation structure that gives them access to revenues, some of which grow with the economy while others provide a stabilizing influence.

We recognize that these are crucial and necessary shifts requiring fundamental changes in how our federation operates at all levels. While it is important that action start now, we also recognize that not all these changes can be made in the short-term.

Estimates of the deficit range from $40 to $125 billion, but all agree that substantial investment is needed. A recent Statistics Canada survey found that as of 2003, three out of every four components of infrastructure had passed the halfway mark in their expected useful lifespan, with the average wastewater treatment facility having used up 63% of its service life.

For several years one of the most pressing concerns for communities large and small has been infrastructure. From roads and bridges to water and sewage treatment facilities, many municipalities have made the difficult choice to forego infrastructure repairs and expansion in order to meet their immediate needs.

The result has been a growing infrastructure deficit: a backlog of badly needed capital investments. Estimates of the deficit range from $40 to $125 billion, but all agree that

substantial investment is needed.[5] A recent Statistics Canada survey found that as of 2003, three out of every four components of infrastructure had passed the halfway mark in their expected useful lifespan, with the average wastewater treatment facility having used up 63% of its service life.[6]

Recommendation 2a:

In the interim, before cities and communities can take on new responsibilities or develop their own taxation systems, this deficit needs to be attacked. The Committee therefore recommends that the federal government immediately and significantly accelerate work with the provincial and territorial governments, municipalities and the private sector to close the municipal infrastructure gap.

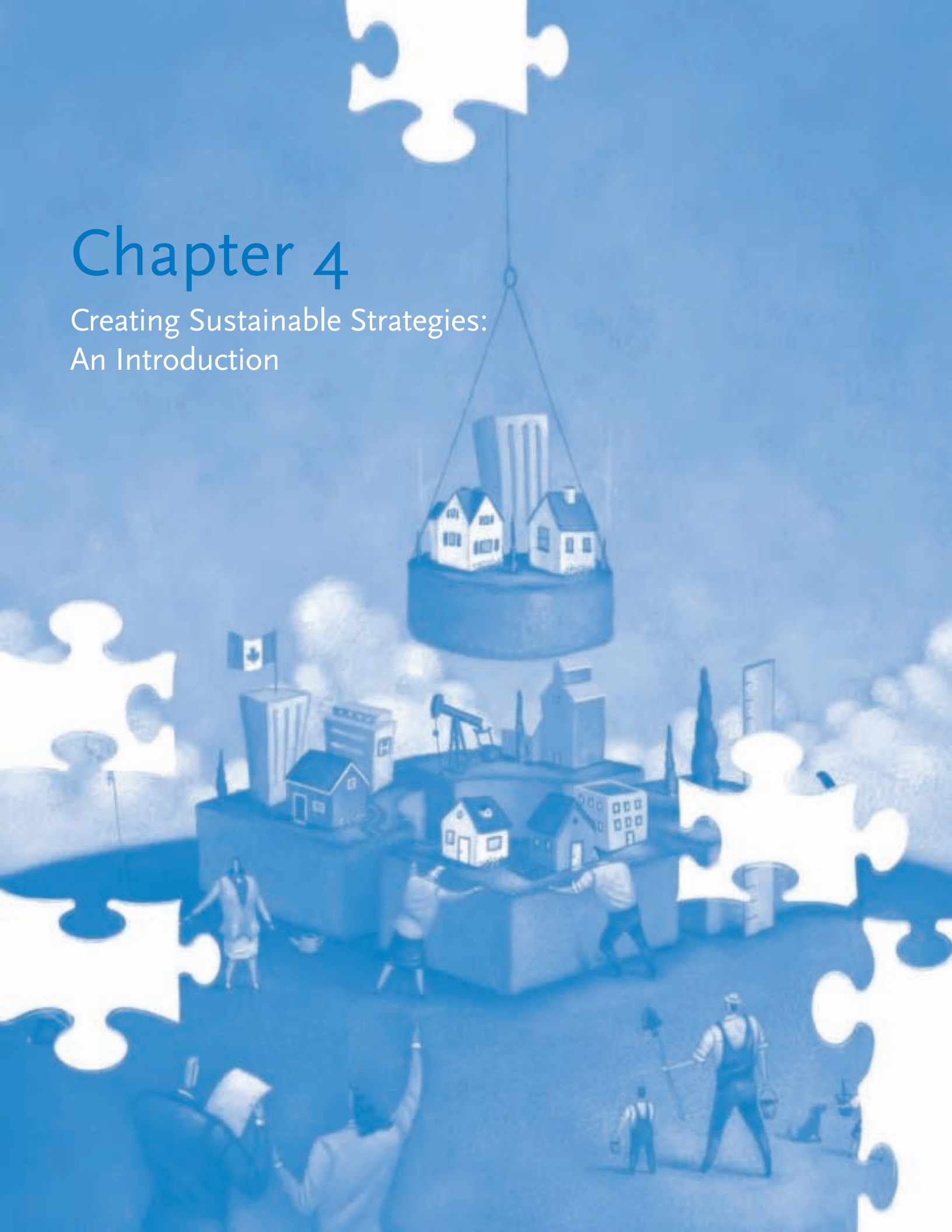
In the longer term, with double devolution obligations for municipal infrastructure funding would likely pass to municipal authorities along with new, predictable, long-term funding sources, primarily through a new municipal taxation structure devolved from the federal government and the provincial and territorial governments.

5 A TD Bank Financial Group study suggests that the deficit is as high as $125 billion (*Mind the Gap: Finding the Money to Upgrade Canada's Aging Infrastructure* [Toronto, 2004]). For a survey of major studies on the infrastructure deficit, see *Assessing Canada's Infrastructure Needs: A Review of Key Studies* (Ottawa: Infrastructure Canada, 2004).

6 *The Age of Public Infrastructure in Canada* (Ottawa: Statistics Canada, 2006), p. 1.

Chapter 4

Creating Sustainable Strategies: An Introduction



Chapter 4
Creating Sustainable Strategies: An Introduction

For Canada's cities and communities to succeed under double devolution, we found that:

- as a first step, communities should form effective working partnerships with other local governments where appropriate to develop their visions for their places
- to realize their visions, communities are likely to need to adopt long-term integrated strategies, focused on creative, sustainable solutions that recognize local needs, challenges and opportunities, and
- community strategies should incorporate the interrelated economic, environmental, social and cultural dimensions of sustainability, and
- communities should measure their progress and achievements using a set of performance indicators.

1. Communities should form effective working partnerships to develop their visions for their places

In September 2005 the Committee convened a roundtable on *Planning for Sustainable Canadian Communities in Ottawa*. The meeting brought together municipal, provincial and territorial leaders and planners, key stakeholders and federal government officials to discuss new models for sustainable community planning. Through their discussions, we identified the need for communities to develop integrated, long-term approaches that were bottom-up and inclusive of everyone in their communities.

Photo: Ville de Matane

Matane, Quebec

Several innovative initiatives in recent years have demonstrated the enormous potential of governance that crosses internal and jurisdictional boundaries. Tripartite agreements such as the Vancouver Accord and the Winnipeg Partnership Agreement show how municipal, provincial and federal governments can make the most of their limited funds by coordinating resources, eliminating overlap and closing gaps.

This approach requires a rethinking of the role of the federal government. It need not always, or even usually, be the solver of problems. Instead, it can offer national resources to convene those closer to communities, facilitate their dialogue and cooperation, and enable solutions through regulatory change and funding.

The development of partnership work between municipalities and provincial, territorial and federal governments for the city-region and neighbourhood levels will create better places for Canada. In some jurisdictions provincial, territorial and municipal partners have worked to overcome provincial and territorial borders. Recognizing that their global position would be strengthened by working together rather than apart, for example, the Halifax and Moncton regions formed a partnership known as the Halifax-Moncton Growth Corridor, bringing together more than a dozen communities to create a regional strategy. Similarly the Niagara region in Ontario has recently begun work with the Niagara region in New York to create a transnational regional strategy.

2. Communities need to adopt long-term integrated strategies, focused on creative, sustainable solutions that recognize local needs, challenges and opportunities

Creativity and sustainability are our principles for policies and actions. Policies on places should be about building local capacities and making strategic, sustainable choices. In the Committee's view, policies on places are largely comprised of good government structures and processes, and creating appropriate governance arrangements, institutions and community capacities that allow poorer places to secure the greatest possible benefit from mainstream federal, provincial, territorial and municipal programs. Some places may need additional resources, but we do not believe that is the key to successful policies for places. Building local capacities is as important for the long-term as tailoring funding programs to fit local circumstances.

Policies on places should be about building local capacities and making strategic, sustainable choices.

Creativity means not just valuing old and new social diversities and promoting innovation in the economy, but also seeking innovation in how we govern and manage policies.

Recently many governments around the world have argued for a fully integrated or holistic approach to 'sustainable' development. The Committee concurs with that goal and emphasizes the contribution that the management of places can make to reducing environmental difficulties. However, the mandate of the Committee is about 'place' not the 'environment' and it is about broad, possible avenues for action, rather than a blueprint for environmental sustainability.

The logic of sustainability-thinking pervades this report, and we apply it not only to environmental policies but to the economy, society and culture as well. The essence of sustainability thinking is to recognize that there are:

- assets, costs and benefits not accounted for in market decisions and values

Photo: Tourism Calgary

Calgary, Alberta

- important, sometimes subtle, impacts of present actions, and
- widespread spillovers between activities.

In short, a sustainability view looks to the public interest by going beyond narrow market outcomes and failures. It looks across sectors with a wide view and it peers across time with a long view. A long-term effort to transform complex human settlements for future generations can only succeed if a sustainable community is the end result — otherwise any outcomes will be transitory at best. As Committee members developed a shared vision for our work together, we adopted sustainability as a useful watchword for objectives that might or might not fit within the 1987 definition of the World Commission on Environment and Development, but that were still essential to the stability, success, prosperity and quality of life that Canadians need and expect in their cities and communities.[1]

3. Community strategies need to incorporate the interrelated economic, environmental, social and cultural dimensions of sustainability

The Committee's long-term vision is easily condensed into four dimensions of sustainability. The first three are the traditional economic, environmental, and social pillars that were brought to the fore by the World Commission on Environment and Development. Based on work pioneered in Australia, the Committee added a fourth cultural dimension to acknowledge the cultural aspects of sustainable development and of community development.[2]

We recognize that one of Canada's great achievements under federal leadership in the latter half of the 20th century was the fostering of a culture of diversity. The Committee believes that Canada's aspiration for the 21st century could well be the nurturing of a national culture of creativity and innovation. We have heard calls for a transition from a triple bottom line in community planning (planning only for the economy, environment and society) to a quadruple bottom line: one that adds cultural vibrancy to the equation. We have reviewed research that articulates the complex, creative interplay between culture and the more traditional three pillars of sustainability. In *The Rise of the Creative Class* Richard Florida concludes that "the creative class is strongly oriented to cities and regions that offer a variety of economic opportunities, a stimulating environment and amenities for every possible lifestyle."[3]

1 "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs": the report of the World Commission on Environment and Development chaired by Gro Harlem Brundtland, published as *Our Common Future* (Oxford: Oxford University Press, 1987).
2 D. Yencken and D. Wilkinson, *Resetting the Compass: Australia's journey towards sustainability* (Collingwood, Victoria: Commonwealth Scientific and Industrial Research Organisation Publishing, 2000).
3 *The Rise of the Creative Class* (New York: Basic Books, 2002), p. II.

We have heard calls for a transition from a triple bottom line in community planning (planning only for the economy, environment and society) to a quadruple bottom line: one that adds cultural vibrancy to the equation.

Creativity, broadly defined, is an essential competence for success in all dimensions in the global economy, in that it feeds innovation; individuals, businesses, cities, communities and countries need creative skills to adapt and thrive in the rapid pace of change. With their complex activities, frequent spillovers and fundamental reliance on fixed physical investments, places need a creative sustainability outlook.

4. Communities should measure their progress and achievements using a set of performance indicators

Communities will need to measure progress against their objectives and their community vision to chart their trajectory, and recognize where they need to adjust and refocus their efforts as required. This information will help Canada's cities and communities position themselves for

Photo: Government of Yukon

Whitehorse, Yukon

Not every community is sustainable

Not all towns and villages in Canada are viable in the long run. Sometimes their demise is handled with care and dignity. Sadly there are many other examples where the decline and death of a community exacts a heavy human toll, as the history of Davis Inlet demonstrates.

Whether because of global trading conditions, depletion of natural resources or declining populations, these communities present governments with a difficult choice: keeping the community alive, usually through direct or indirect expenditures, or allowing it to come to an end. In some cases the historic heritage of a community can justify its continuation in the face of economic difficulty; in others, the assertion of Canadian sovereignty may be reason enough. But there are some communities that cannot survive.

While in the past such communities have often been left to their own devices, we believe that a sustainable approach demands a real degree of planning and transitional support. The end of a community should only come in the light of a thorough sustainability planning process, and resources should be made available to help those whose lives will be dislocated. This is important not only for the individuals and families affected, but for the communities to which they relocate.

Past experience shows that a properly planned and supported transition can make an enormous difference, turning what might have been a painful economic and social tragedy into renewal and new opportunity.

future challenges and opportunities, and evaluate whether existing policies and programs are sufficient or need some modifications. Benchmarking progress against similar communities will support community leaders and citizens understand and participate in the community decision-making processes.

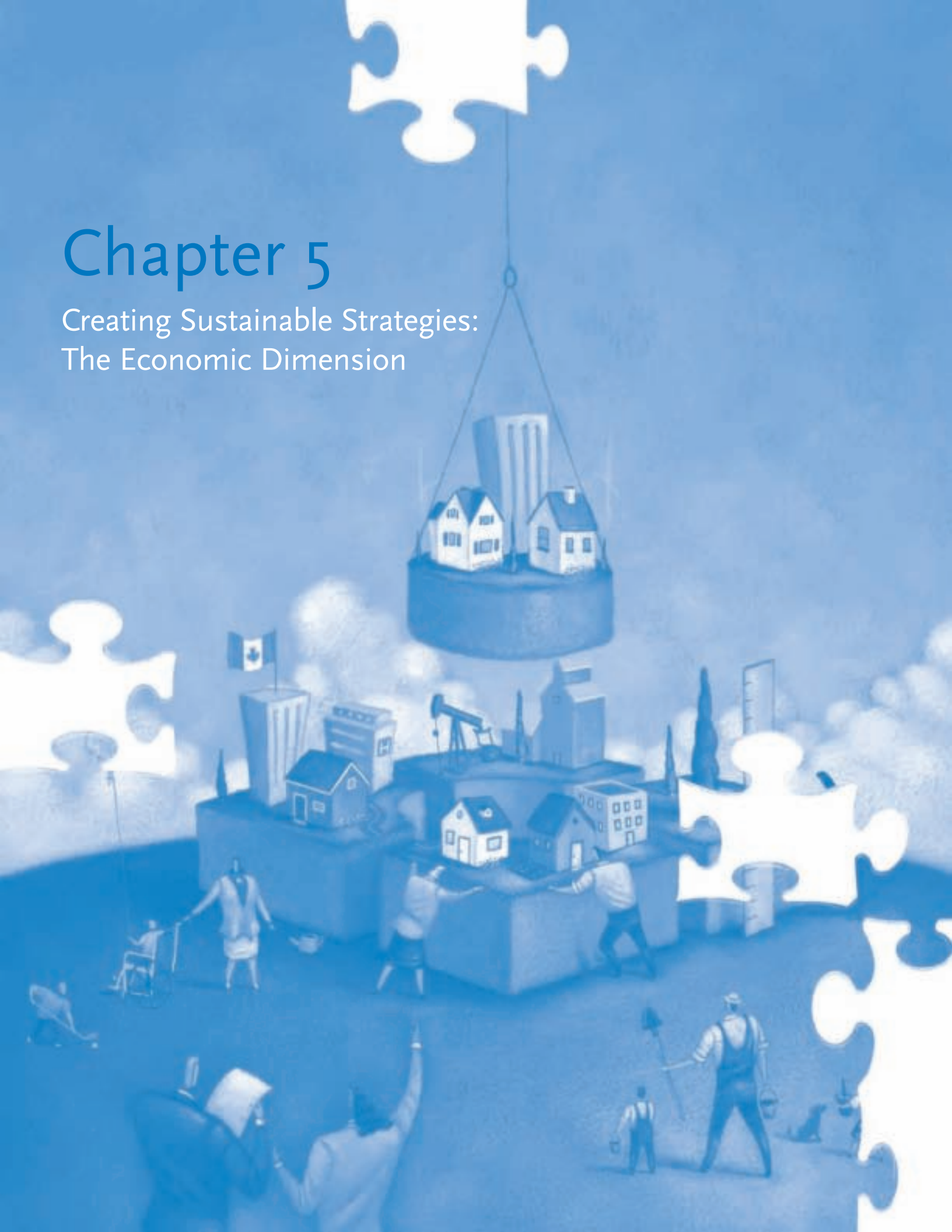
The federal, provincial, territorial and municipal governments should work together and with others to develop an integrated set of robust indicators to measure the economic, environmental, social and cultural performance of Canadian cities and communities, focusing on achievements, opportunities and challenges.

Recommendation 3:

The Committee therefore recommends that all governments work together to assist communities in developing integrated and sustainable strategies by providing capacity-building measures for community leaders and sharing best practices among diverse communities, and that all orders of government should harmonize their policies and programs to support community efforts to pursue their own long-term visions for their own future.

Chapter 5

Creating Sustainable Strategies: The Economic Dimension



Chapter 5
Creating Sustainable Strategies: The Economic Dimension

If places are to survive, let alone thrive, they have to sustain an economic base and have a credible economic raison d'être. In the short-term the core economic capacities of a place, large or small, revolve around the flexibility of its firms, labour force and property markets. Effective management and responsive inputs underpin these capacities and, in conjunction with accessibility to raw materials and markets, shape the outputs and employment of local businesses.[1]

The diversity of the challenges for Canada, and not just in economic performance, means that a cost-minimizing, short-term aim for business and government would sell short the nation's larger potential to be productive and have a high quality of life. Containing costs is a necessary but not sufficient approach to a future of stronger, competitive Canadian places. We need to look to bigger visions, with longer horizons. Our vision of economic sustainability is one in which local economies are able to continue to meet not only profit and output targets successfully, but also the wider goals of citizens and policies, including effects on social, environmental and cultural outcomes. But what shapes the relative success of places, leaving aside the obvious observation that truly national factors such as interest rates will be critical to overall outcomes?

Photo: Corel Corporation

Dempster Highway, Yukon

Our vision of economic sustainability is one in which local economies are able to continue to meet not only profit and output targets successfully, but also the wider goals of citizens and policies, including effects on social, environmental and cultural outcomes.

The economic success of a city depends on more than simple productivity and narrowly defined performance; cities and communities also need competence to cope with other localized effects: providing appropriate infrastructure, for example, or being able to absorb a substantial volume of immigrants without significant social and economic costs. Some cities have displayed an aptitude for transforming potential social problems into significant economic opportunities, while others have allowed concentrations of the poor to erode human and social capital.[2] So a city's competence can be just as significant as clusters of competitive industries,

1 Paul Krugman, *How the Economy Organizes Itself in Space: A Survey of the New Economic Geography* (Working Paper no. 96-04-021; Santa Fe, New Mexico: Santa Fe Institute, 1996); Michael E. Porter, "The Economic Performance of Regions," *Regional Studies*, IIIVII.6-7 (1993), pp. 549-78.
2 Claude Jacquier, unpublished presentation on "Les territoires urbains 'en difficulté' peuvent-ils devenir des pôles de croissance?" to the OECD-Government of Canada Conference on *Sustainable Cities: Linking Competitiveness with Social Cohesion*, Montreal, 13-14 October 2005.

and that means competence for firms and individuals and in governing the city to achieve its economic goals.[3] These city and neighbourhood effects may be important in economic development — the British government now regards them as having a significant role to play in explaining variations in regional productivity — but to date they have received little attention in Canada.

As a result of our research and consultations, the Committee has found that:

- city-regions are increasingly the focal point of global economic activity
- Canada's resource-based rural and remote communities provide an economic key to Canada's future prosperity
- the prosperity of Canadian places reflects their long-term competitiveness and is affected by macroeconomic and sectoral policies as well as those directed at particular places
- economic policies for places need to be more fully considered and better integrated across all orders of government, and
- all places, regardless of size, can share in Canada's success.

1. City-regions are increasingly the focal point of global economic activity

Since the 1990s, OECD governments have observed that city-regions are the locus of economic competitiveness. The Committee was influenced by the findings from a series of international OECD conferences in Spain, Japan and Montreal focused on the importance of the competitiveness of cities.[4] Several national governments, including that of the United Kingdom, have adopted spatial frameworks for economic policies that give some guidance. The UK Treasury has argued cogently how city-region and neighbourhood outcomes do have growth and productivity effects.[5]

Compared with two decades ago, national economic strategies have moved beyond budgetary and monetary stability measures to concerns about sources of growth and productivity. With this more developmental perspective, governments generally understand much more about labour and capital markets than they did in the past; new concepts of human and entrepreneurial capital now underlie policy thinking. Technological change, human capital and entrepreneurship are increasingly seen as areas where action today creates spill-overs and opportunities for the future.

The rethinking of policy ideas envisages global challenges being met by a myriad of microeconomic decisions by individual Canadian firms and households. Canada's competitiveness is also dependent on cooperation: firms often act in concert, sometimes in strategic alliances that may be city- or region-based. Global competition may take the form of one place-based economic network competing with another. Clearly the nature of clusters and local alliances of firms within cities and regions has great significance for both regional and national productivity.[6]

Most of Canada's large and medium-sized cities support a vibrant post-industrial economy of business services, often exportable. Canadian cities have become growing centres for leisure, tourism and a range of emerging consumer activities. A decade ago there was concern that new information technologies would erode the economic base of our cities, but the opposite effect seems to have

3 For an overview of clusters, see Michael E. Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990), pp. 148-154.
4 *City Competitiveness in the Global Economy* (Paris: Organization for Economic Cooperation and Development, 2006), *forthcoming*.
5 *Devolving decision making: 3 — Meeting the regional economic challenge: The importance of cities to regional growth* (London: Her Majesty's Treasury, Department of Trade and Industry and the Office of the Deputy Prime Minister, 2006), pp. 20-22.
6 *Devolving decision making*, pp. 19-20.

Instead of creating a "flat" world, where place does not matter, Internet connectivity and technological developments have spawned new clusters of high-tech innovation and creativity, such as San Francisco's Silicon Valley and Montreal's aeronautic industry.

happened. New technologies have allowed new connections within metropolitan areas, and aided households in organizing complex daily lives. Instead of creating a "flat" world, where place does not matter,[7] Internet connectivity and technological developments have spawned new clusters of high-tech innovation and creativity, such as San Francisco's Silicon Valley and Montreal's aeronautic industry.

2. Canada's resource-based rural and remote communities provide an economic key to Canada's future prosperity

For rural and remote communities, the resource sector remains vital to their economic future. Some 95% of Canada's natural and environmental resources are located in rural areas. Our forestry, mining and energy sectors accounted for 12.6% of Canada's GDP in 2003. While only employing 6.3% of the nation's workforce, our natural and environmental sectors account for 22.4% of Canada's capital investment.[8] Forecasts from the Conference Board of Canada and others indicate that these sectors will gain importance over the next 30 years, as emerging economies increase their demand for mineral and energy resources.[9]

The human cost of boom-bust resource industries

The story of Canada's rural and remote resource-extraction communities is one of rapid growth and equally rapid collapse. As mines lose profitability, communities are shut down, swept away by global forces beyond their reach.

Cassiar, BC was a thriving community focused on the local asbestos mine until the mine's bankruptcy in 1992. The town was forced to close. As a way to work through some of the feelings that the loss of her home town meant, in the mid-1990s grade 11 student Simone Tietz, a former resident of Cassiar, set up a Web page to help former residents remember their town. Though she had only lived in Cassiar for two years when the town shut down, she was no stranger to the effects of a resource economy — only two years before she had to leave her home of 12 years, Pine Point, NWT when the town shut down after a mine closure. When Cassiar closed, Simone moved to Labrador City, but her heart was in BC; when she graduated in 1994, she moved back. We tend to think of urban Canadians as mobile, but Simone's story demonstrates that rural Canadians experience movement and loss inconceivable to many Canadian born urbanites.

As Simone wrote, "it's an empty feeling not being able to have a hometown to visit or go back home."[10]

The success of these industries, however, hinges on policies that address their boom-bust cycles and the accompanying and often unrecognized human costs.

7 Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005).
8 *Important Facts on Canada's Natural Resources (as of November 2004)* (Ottawa: Natural Resources Canada, 2004), pp. 1-2.
9 See no. 1 to chapter Chapter 2 above.
10 Simone Rowlinson, *Simone's Story* [Cited 31 May 2006.] <www.datapower.ca/cassiar>.

Photo: Corel Corporation

Québec City, from Levis

To capitalize on our resource base, we need to increase the level of the value we add in Canada, and not just ship our resources overseas for processing. This will mean that our community-based strategies:

- look to research and innovation possibilities and strive to create better networks and connections for smaller places as well as large centres
- move up the value chain so that value is added as close to rural locations as is economically viable
- increase research and development of new technologies in our rural and remote areas, such as test equipment for use in the north, and
- look for ways to raise human-capital and educational performance for all rural dwellers.

3. The prosperity of Canadian places reflects their long-term competitiveness and is affected by macroeconomic and sectoral policies as well as those directed at particular places

Clusters lie at the heart of some analysis of the competitive advantage of city-regions. The Committee examined research exploring the extent of urban clusters for key economic sectors and heard from Canadian experts about the importance of clusters in Canadian cities. While they act in competition, firms benefit from the effects of clustering: they attract skilled workers and higher investment, creating a local pool of talent and investors; they enjoy benefits from other firms' innovative activities, such as the development of new technologies or processes; and they benefit from the economies of a larger local markets, simplifying the movement of goods and ideas up and down the value chain.[11] Clusters, broadly defined, matter.

The Committee agreed with Michael Porter's argument that "economic clusters emerge most often when there is a critical mass of firms allowing economies of scale and scope, a strong science and technology base, and a culture conducive to innovation and entrepreneurship", although we note that clusters are neither necessary nor sufficient in themselves to secure long-term success.[12] Clusters such as the high-tech cluster in the Ottawa area can be powerful engines of growth. In a cluster, strong links are possible among firms, suppliers, customers and research institutions, providing scale and concentration effects boosting productivity growth and innovation.

Cluster-based development must focus on capitalizing on existing assets and resources. While cities are generally believed to be privileged as sites of cluster development, because of their concentration effects, this does not mean that smaller cities and communities cannot benefit from the cluster-based model.

11 Porter, *Competitive Advantage*, pp. 148-154; James Milway, Institute for Competitiveness and Prosperity, presentation to the External Advisory Committee on Cities and Communities, Ottawa, 18 April 2005.

12 Sherri Torjman and Eric Leviten-Reid, *Innovation and Poverty Reduction* (Ottawa: Caledon Institute of Social Policy, 2003), p. 14.

Photo: photolux

Reservoir

Cluster-based development must focus on capitalizing on existing assets and resources. While cities are generally believed to be privileged as sites of cluster development, because of their concentration effects, this does not mean that smaller cities and communities cannot benefit from the cluster-based model. Although traditionally applied to knowledge-intensive sectors, the model can prove equally valuable for other industries (as in the automotive industry cluster in Ontario or visual artists on Salt Spring Island). Hard assessment of cluster potential in specific places is required.

This is a challenge that is largely about people and provincial/territorial policies. Just as place and atmosphere appear to matter in creativity, so too can social and economic networks within places matter in forming collaborative, innovative networks. Recent European studies of regional and international innovation centres have emphasized the importance of:

- a strong research capacity within the university sector allied to ways of linking scientific discovery to invention and innovation
- a capacity to attract and retain skilled workers and creative migrants, and
- access to well-connected inter-urban and international transport, so that innovations can be sold.[13]

Richard Florida stresses the importance of tolerance, diversity and a general high quality of place in attracting the creative classes to particular cities and motivating them to remain.[14] He also stresses that it is the mass and density of large metropolitan regions that provides the diversity, the connectivity, and clusters that fashion new ideas. In a recent report Florida's indicators of creative potential suggest that Vancouver and Montreal are at the top of creativity potential in North America and Toronto is not far behind.[15] Of course indicators can be less than precise, but it is a worry for Canada that while by Florida's ratings our major cities rank so high on potential, on purely economic scales we perform modestly.[16]

Florida's indicators of creative potential suggest that Vancouver and Montreal are at the top of creativity potential in North America and Toronto is not far behind.

4. Economic policies for places need to be more fully considered and better integrated across all orders of government

A number of important federal, provincial, territorial and municipal economic policy and program areas affect the long-term competitiveness of city-regions, four in particular: education, productivity and growth, land-use planning and provincial/territorial barriers. The Committee

13 European Commission, *Regional Clusters in Europe* (Brussels: European Communities, 2002).
14 Richard Florida, *The Rise of the Creative Class* (New York: Basic Books, 2002) pp. 219-234.
15 Kevin Stolarick, Richard Florida and Louis Musante, "Montreal, ville de convergences créatives: perspectives et possibilités", *Catalytix*, Janvier 2005, p. 8.
16 For a preliminary analysis, see Meric Gertler, Richard Florida, Gary Gates and Tara Vinodrai, *Competing on Creativity: Placing Ontario's Cities in North American Context* (Toronto: Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity, 2002).

heard evidence that even where effective policies were in place, they were uncoordinated across different orders of government, and not geared to meeting the needs of places. Further, the Committee heard that internal trade barriers — such as those across provincial and territorial boundaries — hold back the competitiveness of cities.

In evolving future roles and sovereignties for different orders of government, it will be essential for the federal government, provinces, territories and cities to agree on a workable set of fiscal relationships. The level of allocating different revenue powers, expenditure responsibilities and equalization arrangements will be of critical significance. These arrangements will reflect the choices that economically growing places in Canada want to make about supporting change in declining and poorer places. The Committee believes that rebalancing the spatial aspects of our fiscal system is necessary, and that a new sense of fairness and local autonomy will lead to more effective economic strategies for our large cities. Similarly our medium-sized cities will benefit from increased resources and autonomy, especially through assistance in developing regional economic strategies that bring together medium-sized and smaller cities (such as the Halifax-Moncton Growth Corridor).

After double devolution, continuing roles for the federal government should include:

- Improving Canadian city access, especially through major gateways, to extensive and emerging markets.
- Improving transport connections between Canadian cities and across provinces and territories. The environmental and direct fuel costs of air and road travel are rising rapidly; trans-Canadian distances are vast and super-fast rail is unlikely to compete with air travel for journeys over 1,000 km. Future growth prospects need explicit rethinking of cross-provincial rail choices linking Québec to Windsor, for example, or creating a Vancouver-Calgary-Edmonton triangle. Canada lags Europe and China in providing fast connections between potentially complementary cities.
- Increasing information and communications technology connectivity. Some successful cities have created wi-fi zones so that networking is easy and intensive, while others have made the use of the technology in neighbourhood renewal programs a priority, wiring previously disconnected communities. Connectivity is also important for rural renewal strategies — the technology can provide rural communities with access to similar health care and educational services that are already available to urban Canadians.
- Targeting immigration volumes and processes to labour shortages wherever possible, but particularly where they are most needed.
- Making sure that effective minimum standards exist for worker education, health and environmental improvement, so that provinces, territories and cities do not simply displace or shift problems from jurisdiction to jurisdiction.

Education

As human capital becomes increasingly important, so does the lack of human capital in certain categories of Canadian citizens become increasingly harmful: those with shortcomings in skills and literacy.[17] Canadians from all industries and all sectors of society need to acquire the appropriate skills and knowledge to adapt to global

Canadians from all industries and all sectors of society need to acquire the appropriate skills and knowledge to adapt to global changes.

17 Judith Maxwell, "President's Message: Transformation," *Canadian Policy Research Network Annual Report, 1999-2000, Transformation* (Ottawa: Canadian Policy Research Network, 2001), pp. 2-4.

changes. Tax incentives and credits to improve individuals' lifetime employability deserve more attention.

Canadian policies must target people potentially isolated by a lack of education and training, help them to upgrade their skills to find jobs, and provide incentives for firms to provide on-the-job training. Governments must partner with cities and communities to bridge the digital divide in traditionally information-poor groups, such as older Canadians and residents of remote communities. Much work is still needed on literacy gaps in rural areas. The reading age of Aboriginal children in northern Ontario, for instance, lags the provincial norm by four years. Providing books for libraries and encouraging summer reading camps can reduce this gap by one-third within a year.

Canada must be able to compete in the emerging global competition for talent.

Canada must be able to compete in the emerging global competition for talent. As countries such as China and India strengthen their research and education sectors, the competition will become even more intense. Canada's economic sustainability, therefore, depends on the generation, attraction, and retention of human capital.

Universities are an important component of Canada's economic sustainability, because attaining university degrees is a significant driver of productivity.[18] World-class research at universities attracts top talent and serves as a magnet for investment, spurring research, innovation, job creation and economic growth.[19] Access to university research findings has become a critical factor in firms' performance. Universities create ideal conditions for innovation and talent attraction and retention, but it is necessary for universities to foster partnerships with other sectors (particularly small- and medium-sized businesses, governments and communities). Universities also play important roles in social networks within places, they tend to reinforce Richard Florida's requirements of tolerance and diversity, and they can play a significant role in the revitalization of city centres and community spaces through their contributions to museums, galleries, theatres, literary life and public policy.

Photo: Corel Corporation

United We Stand, Calgary, Alberta

In the recent past the demand for university and college education has expanded far more rapidly than the resources to provide it, while skills training remains underfunded and uncoordinated. It will be essential to reverse these trends and raise the supply of skilled workers and educational resources in cities and smaller communities alike. Canada needs to get into training for a marathon of competitiveness.

18 James Milway, *Missing Opportunities — Ontario's Urban Prosperity Gap* (Working Paper no. 3; Toronto: Institute for Competitiveness and Prosperity, 2003), p. 10.

19 Robert Best, "Notes for a Presentation to the Prime Minister's External Advisory Committee on Cities and Communities" (Ottawa: Association of Universities and Colleges of Canada, 18 April 2005).

Productivity and growth

The federal government tends to develop strategies to deal with the big issues, focusing on more effective investment and more flexible and higher-quality human capital. Deregulation of capital markets and encouraging faster and freer flows of technology and goods have all emphasized the importance of innovation, entrepreneurship and agility. Rethinking the role of human capital in individual well-being and national economic development has fashioned new emphases on lifelong education and active labour-market policies that promote more productive human capital.[20]

Land

The Committee concluded that new policies to promote economic growth require a rethought role of land in economic development. Land has to be considered not just as area, but as infrastructure — the assets embedded in land and accessibility. In this sense land concerns the roles of place in shaping social and economic change. Future economic challenges are global, but responses are always at least partly local. They occur in and are shaped by places.

Provincial and territorial economic strategies tend to involve little understanding of the structure and functioning of provincial and territorial land and labour

Black Rapids - Rideau River Ontario

20 Ian Gordon, unpublished presentation on "Labour Market Integration Policies to Enhance Social Cohesion" to the OECD-Government of Canada Conference on *Sustainable Cities: Linking Competitiveness with Social Cohesion*, Montreal, 13-14 October 2005.

Moncton, New Brunswick: bouncing back with diversification

For a mid-sized city like Moncton, losing an employer like Via Rail and its 2,165 jobs — representing 13% of the local economy — could have been a devastating blow, especially on the heels of the closure of a Canadian Forces Base.

But rather than trying to fill the gap with another big employer, Moncton responded with a nine-month-long community process to chart a new future, through the Greater Moncton Economic Commission (now Enterprise Greater Moncton). Seven years later, in 2000, the community was enjoying a booming and diversified economy. Part of the success came through call centres, where Moncton's bilingualism proved to be a critical selling point.

The CEO of Moosehead Brewery, Derek Oland, says "Greater Moncton has earned an international reputation as the city that pulled itself up by the bootstraps."

markets. Nor do they include well-worked-out future strategies (even five years ahead), and they are often disconnected from land-use and planning strategies. At the provincial, territorial and city levels, economic strategy and policy have to articulate and think about places more consciously, and planning for land use has to be better at recognizing long-run economic drivers and the consequences of land-use decisions.

Provincial and Territorial barriers

Provinces and territories have many roles to play in shaping federal understanding of more local problems and opportunities. They will naturally argue for provincial/territorial interests, but awareness of mutual spillovers (costs and benefits) and the need to avoid wasteful competition should encourage wider thinking. Critical roles at the provincial and territorial level require articulating the future map of each province, the key building blocks in the federal map for the future. The map of Canada's cites and metropolitan regions do not always follow provincial boundaries, however. In some jurisdictions, provincial, territorial and municipal partners have worked to overcome provincial borders, as in the case of Halifax-Moncton. In others such as Ottawa-Gatineau and Winnipeg-Kenora, issues of provincial jurisdiction — especially trade and labour restrictions — are diminishing the competitiveness of these regions and holding them back.

5. All places, regardless of size, can share in Canada's success

Both traditional and new economy perspectives on economic development and innovation stress the importance of the quality of place in attracting needed workers and new businesses. Traditional perspectives focus on good schools and low crime, while contemporary perspectives focus on the effects identified by Richard Florida.

Some places address these issues and others do not, but successful cities always do. They also tend to have sophisticated and market-led approaches to land planning. There is no suggestion in what follows that Canada should move back from market leadership in how and where we choose to work, live and play. But city systems that ignore market failures in land and housing systems often crassly exacerbate poor outcomes for poorer households. And cities that don't plan at all can be as ineffectual as those that only plan.

There have been no recent economic analysis of the effectiveness of land planning and policy systems in Canada. A number of other OECD countries, however, have reappraised their planning priorities for city competitiveness and environmental sustainability. There is a new awareness that planning involves creating policies to create viable places, and that strategies for building places have to incorporate the economic, environmental, social and cultural dimensions of sustainability. At the city scale, planning creates a strategic framework, regulates the supply of development permission and approves design.

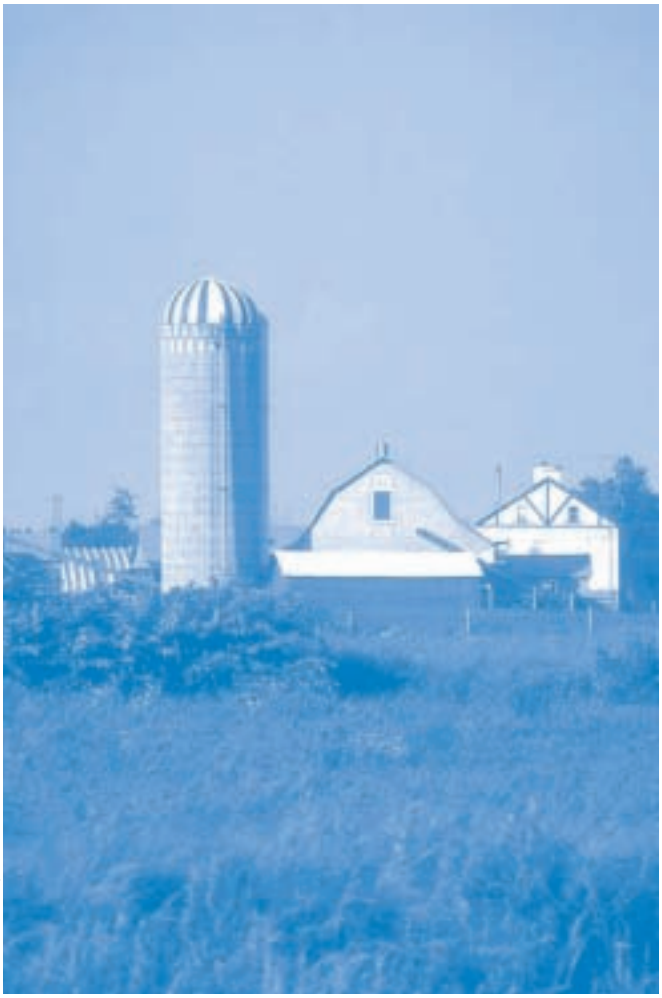


Photo: Corel Corporation

Ormstown, Quebec

Within large places, some labour-market processes have significant failures. These failures have important neighbourhood dimensions and implications for the unemployed and less skilled, but they also affect the metropolitan economy scale. Well-functioning and flexible labour markets will be central to future economic success. Active labour-market policies in Europe and the US do consider places; Canadian policies for cities need strengthening to reflect them as well.

Where there is a labour-market mismatch for lower-income households, cities should not ignore the issue and the obvious market failures. Instead they should adopt clear strategies that deal with job and housing locations for the poor, and change their transportation systems. Recent proposals to sell high-value centrally located social housing in Vancouver and replace it with lower-cost but less accessible property are flawed, because they do not recognize a potential market failure that will have negative labour-market effects and probably raise welfare dependency.

Within poorer neighbourhoods with concentrated unemployment rates, there is likely to be a labour-market information failure: the jobless usually find the most reliable vacancy sources to be employed neighbours. Information, training and other labour-market measures that recognize the realities involved should be introduced.

It would be unfortunate if most of the productivity gains from more creative and flexible cities passed through to the owners of scarce land, not to mention giving the wrong incentive signals for an entrepreneurial economy. Resilience should not just be translated into higher rents. Gains in land values have potential roles to play in funding city infrastructure, including low-income housing.

What roles, if any, should Canadian cities, city-regions and communities expand or develop to foster economic success, and how might they deliver the changes? The federal government has an interest in these strategies, not just to avoid wasteful competition between places but also because federal measures to achieve future goals will be significantly shaped by the success or failures of economic policies operating at the city level.

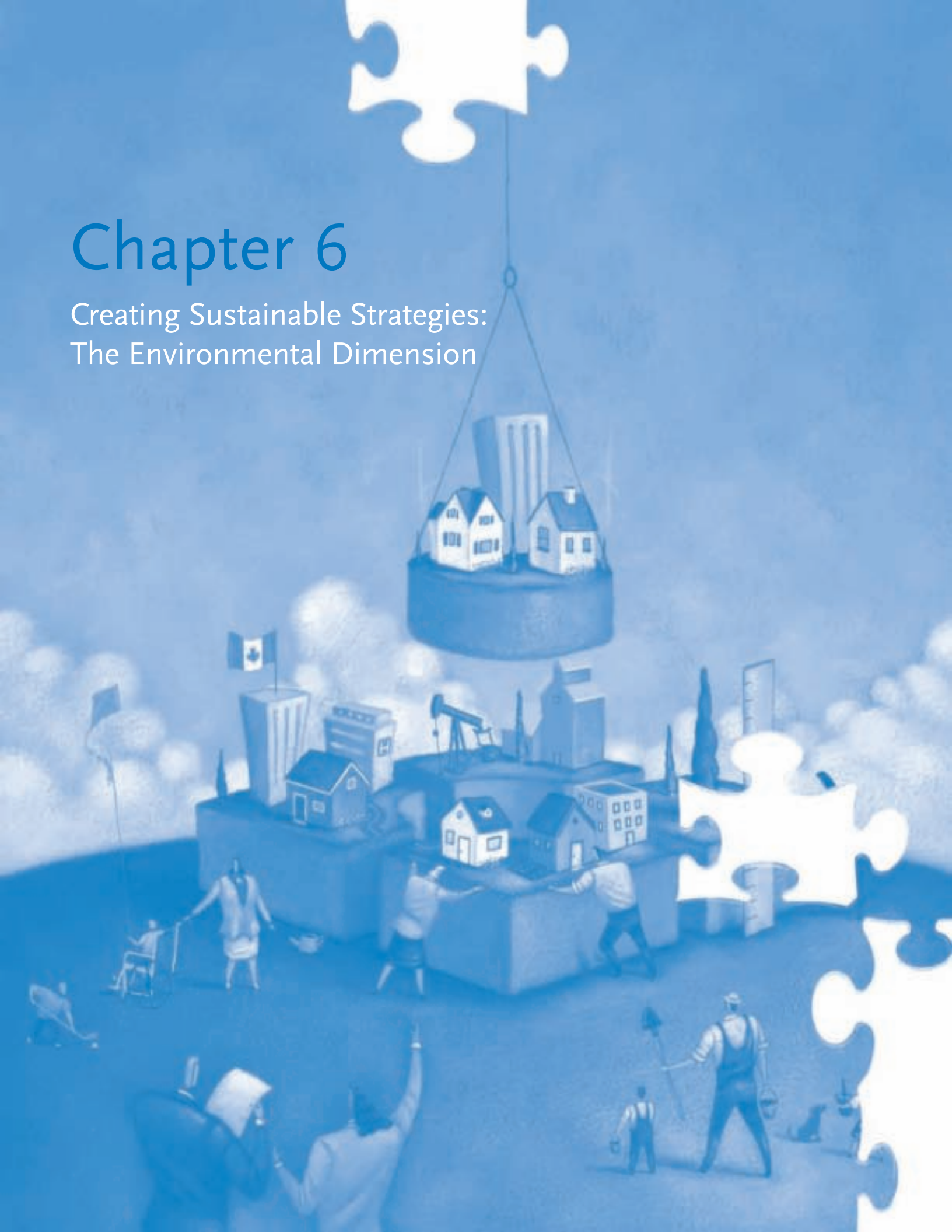
Recommendation 3a:

The Committee therefore recommends that all governments more effectively coordinate competitiveness policies, including:

- **strengthening access to international markets through gateway cities, and improving connections between Canadian places with sustainable transportation and information and communications technology infrastructure**
- **removing internal barriers to trade across provincial and territorial boundaries**
- **assessing and then maximizing the local effects from all governments' investments**
- **encouraging provinces and territories to collaborate with communities to create development strategies focused on place that improve education, the attraction and integration of immigrants, and other labour-market outcomes, and**
- **ensuring that municipalities collaborate with each other and other orders of government to address land and planning system constraints and local labour-market imperfections.**

Chapter 6

Creating Sustainable Strategies: The Environmental Dimension



Chapter 6
Creating Sustainable Strategies: The Environmental Dimension

Following our investigation of the second element of sustainability that community strategies should incorporate, we found that:

- the way Canadians live now in our cities and communities is using up too much of our natural capital, outstripping our environment's ability to recover from demands made on it
- decisions and actions taken to the detriment or benefit of the environment intrinsically affect our economy, society and culture
- a major investment in new environmental technologies could generate significant new opportunities for Canada's prosperity and competitiveness in the long-term
- cities and communities clearly lie at the heart of the problems and solutions for the sustainability of the Canadian environment, and
- improving the liveability of places will be critical for our future.

1. The way Canadians live now in our cities and communities is using up too much of our natural capital, outstripping our environment's ability to recover from demands made on it

There is growing scientific, public and political concern about some current environmental outcomes for cities and the nation, and even more so about the difficult environmental future we face. Particular groups and communities have specific and serious environmental problems. On-site inspections conducted recently in Aboriginal communities, for instance, found that 29% of them have water systems that place the health and safety of their users at risk. Yet there are wider — even global — outcomes from the consequences of present patterns of living.

This concern is summarized in the notion of the environmental footprint. For any place, community or nation, it is possible to examine the flow of resources that it uses and many of their environmental outcomes. The average world-wide environmental footprint currently lies at about 2, meaning that present global patterns of resource use would require two earths to sustain. Studies show that Canada's environmental footprint measure is close to 8, the highest in the world after only the US. High-income European countries with sustainability commitments have values closer to 5.[1] Data from the Federation of Canadian Municipalities indicate that the footprints of our cities and communities vary, with Calgary well above average at 9.86 and Greater Sudbury the lowest at 6.87.[2]

Studies show that Canada's environmental footprint measure is close to 8, the highest in the world after only the US.

The high footprint of Canada's cities and communities reflects high incomes, our climate, the pattern of

1 *The Maple Leaf in the OECD: Comparing Progress toward Sustainability 2005* (Vancouver: David Suzuki Foundation, 2005), citing data from Thomas Gunton *et al*., Canada's Environmental Performance: An Assessment (Victoria, B.C.: David Suzuki Foundation, 2005).
2 Federation of Canadian Municipalities Quality of Life Reporting System, *Ecological Footprints of Canadian Municipalities and Regions* (Ottawa: FCM, 2005), pp. 20-21.

Manitoba, Canada

economic activity, the layout and density of communities, the consumer preferences of households and the ways in which policies affect the price and use of energy. While our harsh climate is a factor, compared with similar countries from northern Europe and the rest of the OECD we do very badly.[3] The way we live now in our cities, towns and villages is using up our natural capital, and Canada plays a disproportionately negative role in that process given our population size.

Young Canadians are more aware of the issues than many seniors and parents, and they increasingly recognize that they want some of what they inherit to be decent places and a living environment.

But the case for securing better environmental outcomes for the future is changing in two critical ways. First, young Canadians are more aware of the issues than many seniors and parents, and they increasingly recognize that they want some of what they inherit to be decent places and a living environment. The second is emerging economic scenarios: the global price of hydrocarbons has risen significantly in the last few years and there is a growing market recognition that fossil fuels have exhaustible limits.

Canada's people, planners and policy-makers will be obliged by economics to reconsider space, energy and transport use. While there will be much for the economies of some provinces, territories and the nation to gain from the rising prices of our natural resources, the same global market outcomes will force a change in the way we organize our places. That change will be more creative and founded on economic, environmental, social and cultural factors if it is driven by strategy rather than price. We need to put natural capital at the centre of our discussion and use accounting that includes non-market costs and benefits.

Given the resource base of the economy, we believe that Canada has an unparalleled opportunity for two major initiatives to lead international action for sustainable places. First, we have the opportunity to create new city forms and better places, not rebuilding from cities in decline but capturing the impetus of growth and shaping and reinforcing it so that it creates better places, cities to be proud of and communities that we can be comfortable in. We need to lead in innovation for better cities — the goal of our report's recommendations.

Second, we need to recognize that the environmental and economic impetuses for new forms of settlement also call for a new role in the development, promotion, commercialization and application of alternatives to fossil fuel.

3 *The Maple Leaf in the OECD,* p. 40, citing data from the 2004 *OECD Environmental Performance Reviews: Canada* (Paris: OECD, 2005). The Auditor General of Canada's 2004 Report of the Commissioner of the Environment and Sustainable Development found that poor policy choices were contributing to Canada's poor performance internationally.

Such an initiative, as in the development of new policies for settlements, should focus on the federal government's unique potential as a facilitator and convenor, using national resources to encourage research and new ventures, bringing potential partners together in Canada's cities and communities, and offering an integrative framework for the many renewable energy projects already underway across the country.

2. Decisions and actions taken to the detriment or benefit of the environment intrinsically affect our economy, society and culture

Environmental policy is not a litany of doom, or even gloom. The last three decades have seen significant improvements in the quality of water supplies and reductions in carbon monoxide, sulphur dioxide and other noxious and irritant gases. These changes have reflected effective policy action, in particular by regulations for automobile engines and residential energy and insulation. And public behaviour has changed in the production of waste and recycling household garbage. But much remains to be done.

The majority of air-pollution and greenhouse-gas emissions come from urban Canada, and up to half are under the direct or indirect control of local governments.[4] The national impacts are significant. Air pollution is responsible for health problems and deaths, and has serious economic consequences.[5] More than half of Canada's GDP is substantially affected by climate and weather (and hence potentially by global warming), including forestry, agriculture, fishing, hydroelectricity generation, transportation and tourism. As one example, the failure of the expected ice bridge to form across the Great Slave Lake on time in the winter of 2005-06 cut Yellowknife's road connection to the rest of Canada, and shipping costs for groceries skyrocketed.

Sustainable living

Craik, Saskatchewan offers an excellent example of innovation and creativity. Faced with the same challenges as many other small farming communities — a depressed economy, uncertain trading conditions and a declining population — the southern town of Craik developed a highly creative response. The population has embraced sustainability — turning it into a key local economic sector through the Craik Sustainable Living Project.

In partnership with the regional municipality, Craik constructed the Eco-Centre: a 6,000-square-foot timber-and-straw-bale building demonstrating innovative, low-cost energy-efficient design practices. It's a multipurpose building that also serves as an education and outreach centre. The project works with local residents and businesses to reduce their own ecological footprint. But the most ambitious goal is the creation of the Ecovillage: an entire community designed for sustainability from the ground up. The project has attracted attention from around the world, and positioned Craik as a leader in energy efficiency and sustainable housing construction.[6]

4 Federation of Canadian Municipalities, Cities for Climate Protection Campaign. [Cited 31 May 2006.] <http://kn.fcm.ca/ev.php?URL_ID=2805&URL_DO=DO_TOPIC&URL_SECTION=201& reload=1120472914>.

5 In Ontario alone, air pollution is responsible for more than $1 billion in direct costs such as hospital room admissions and absenteeism, and another $9 billion in indirect costs such as mortality. For air pollution mortality rates, see R. Burnett, S. Cakmak and J.R. Brook, "The Effect of the Urban Ambient Air Pollution Mix on Daily Mortality Rates in 11 Canadian Cities," *Canadian Journal of Public Health*, LXXXIX (1998), 152-156. For traffic mortality rates, see *Canadian Motor Vehicle Traffic Collision Statistics* (Ottawa: Transport Canada, 2001) [Cited 31 May 2006.] <www.tc.gc.ca/roadsafety/tp/tp3322/2000/pdf/st2000e.pdf>.

6 Craik Sustainable Living Project (Craik, Sask.: City of Craik) [Cited 31 May 2006] <www.craikecovillage.ca/ecocentre.html>.

3. A major investment in new environmental technologies could generate significant new opportunities for Canada's prosperity and competitiveness in the long-term

The work of placing our communities on a truly sustainable footing is an enormous opportunity, and one that Canadian business and government must seize. The shift in thinking, policy and behaviour we are describing will require the development of entirely new skills, new expertise and new industries. These are assets that will be in high and increasing demand in Canada and around the world, as other countries face the same challenges with which we grapple.

Atlantic Canada

Canada is in a position to claim a leading position in these new sectors. The sooner we develop the assets, the more compelling that claim will be. The advantages to Canada include tangible economic benefits as we export new, high-value-added green goods and services, and the leadership entailed in providing examples to the world of innovative governance, effective citizen engagement and sustainable community-building.

4. Cities and communities clearly lie at the heart of the problems and the solutions for the sustainability of the Canadian environment

From immediate issues such as air quality and water safety to the longer-term problems potentially posed by climate change, it is our communities that are directly affected. They must respond, often with inadequate resources and severely limited authority. Much of environmental policy has to be federally designed and delivered because environmental effects flow across provincial, territorial and international borders at growing rates. Yet it is small communities that must deal with tainted water supplies, it is cities that must cope with high levels of ground-level ozone, and it is coastal communities that will be directly affected by any rise in sea levels and wave erosion.

The efficient, sustainable movement of goods and people is one of the critical challenges for Canada's communities — and a principal example of how one solution cannot fit every size of community. Diverting resources from road and highway construction to public transit and pedestrian and bicycle facilities can make a great deal of sense in cities. It can reduce greenhouse-gas emissions, improve air and water quality (not to mention health), and encourage more sustainable patterns of urban development. Conversely, urban design can reduce transportation needs, with greater density in effect pre-delivering people and goods to their destinations. Transit and density take on added importance in the winter months, when walking can be an ordeal and bicycling is impractical. In some smaller centres and particularly in rural Canada, on the other hand, there are often no alternatives to the private car or truck. More efficient freight movement and better access to rail — as well as cleaner vehicles — can have a positive impact on the quality of life for all communities.

If environmental damage is most acutely felt in our cities and communities, they are also the places where that damage can best be addressed and prevented.

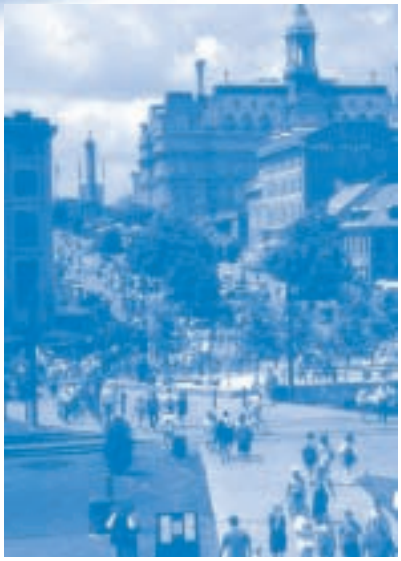


Photo : Corel Corporation

The "Place Jacques Cartier", Montreal, Quebec

But it is also clear from recent experience that there is an appetite for innovation and creativity in environmental policy among Canadian communities. Toronto's greenhouse-gas reduction initiatives and Calgary's wind-powered light-rail system have garnered global attention. So has the town of Bouctouche, New Brunswick, which turned its nearby sand dunes into an award-winning ecotourism destination attracting 140,000 visitors a year. If environmental damage is most acutely felt in our cities and communities, they are also the places where that damage can best be addressed and prevented.

5. Improving the liveability of places will be critical for our future

Innovation in environmental policy and good local practices will be essential. And a coherent, strategic framework for change will also be essential — a framework including coordinated action on many fronts.

Many of the environmental sustainability issues that we face emerge from how we plan, build and use our cities. There may be some scope to encourage greener consumption patterns that use time and thought rather than fuel and packaging to meet consumer wants and the pursuit of happiness.

In 2002, the National Roundtable on the Environment and the Economy concluded that a compact urban form is more environmentally sustainable than the suburbanization or sprawl often found in North American urban growth patterns.[7] Canada is still sprawling more in spite of the revitalization of city cores:

- the average home is further from city centres than a decade ago
- the proportion of low-rise, low-density homes, except in major cities, is growing steadily and often exceeds two out of three homes built
- at the same time as house size has increased, the size of households has fallen; consequently the space and effective energy use per resident have grown sharply
- commuting times have increased; traffic congestion costs are estimated at $2.3 to $3.7 billion annually, impeding trade and productivity,[8] and
- sprawl means higher servicing and infrastructure costs, less-effective public-transit service, the displacement of large tracts of habitat and prime farmland and compromised water quality.

The land-use decisions being made today in thousands of communities will profoundly shape the way we live decades from now, and the effect our activities have on our environment. Provincial, territorial and municipal politicians and planners who have shaped the city systems that are now problematic cannot absolve themselves from this responsibility by blaming the market. Place-making has to be concerned with sustainability — it has to balance the economic interests of the immediate parties to land and space transactions with the wider social and environmental effects that these exchanges invariably create. Markets generally work well within the frameworks of action that societies and policies imagine for them.

7 *State of the Debate on the Environment and the Economy: Environmental Quality in Canadian Cities: the Federal Role* (Ottawa: National Roundtable on the Environment and the Economy, 2003), pp. 11-14.
8 *The Cost of Urban Congestion in Canada* (Ottawa: Transport Canada, 2006), pp. 13-14.

These settlement patterns may reflect current market forces, but they fail to reflect the significant external costs imposed on others of poorer health, greater congestion and related problems. They may also impact other markets. Once some households abandon public transit for the car, there are cost and service implications for those who remain on public transit, so that a tyranny of small decisions may produce major negative outcomes for cities and regions.

But there are more that market failures and uncosted spill-over effects in these outcomes. The National Roundtable on the Environment and the Economy recognized that externalized costs and a complex web of direct and indirect subsidies from every level of government encourage this form of development. The Committee agrees with this analysis. We also feel that, while there has been some improved infrastructure policy since 2003, the federal government has not developed the fiscal and regulatory tools suggested by the National Roundtable to address sprawl and reduce energy reliance, such as incentives for brownfield redevelopment and energy efficiency in residential homes.[9] We would reiterate their recommendations that the fiscal incentives and flows that encourage sprawl need to be assessed, and wherever possible removed or reversed.[10]

We also believe that more is required. To help move from sprawling to denser developments it will also be important to persuade planners and developers that high density does not inevitably mean high apartments and poor neighbours. There has been much innovation in the development of attractive, high-value, green, secure and well-serviced higher-density developments in Europe, Australia and the US. Successful Canadian cities need smarter growth.

Photo : Corel Corporation

Park area, Vancouver, British Columbia

Throughout this report the Committee has stressed the importance of a creative approach to places. We reiterate our observations about planning and the city economy. There needs to be a new creative voice for city and community planning and design in Canada. We are not arguing that the federal government become involved in any way in local land-use decisions. But we see the need for governments to review and change their local place-making skills and processes in ways that combine high-quality research with design ideas that incorporate economic, environmental, social and cultural dimensions.

The change drivers shaping land-use demands differ from place to place. In large urban centres, for instance, the central factor may be the demand for housing; in rural communities, resource extraction is often the driving concern. Casting those decisions in a longer-term context includes planning green areas, protecting agricultural land from urban encroachment and sequestering carbon-holding land. Bringing marginal land (damaged through industrial activity, intensive farming or resource activity) back into its natural state not only creates new carbon sinks, but also helps to recharge aquifers and stop erosion. And more sustainable practices on our farms and

9 *Environmental Quality in Canadian Cities*, pp. 21-26.
10 *Environmental Quality in Canadian Cities*, pp. 47-50.

in our forests can secure jobs for the long-term while giving Canada an important competitive advantage in export markets.

Decisions taken far away can affect land use significantly. A decision to implement more effective and comprehensive recycling strategies in big cities, for example, may reduce the pressure on surrounding municipalities to expand landfill facilities, and the temptation to export waste to remote communities.

Nevertheless the principal land use challenge for the immediate present and the foreseeable future is to reduce sprawl in our growing places.

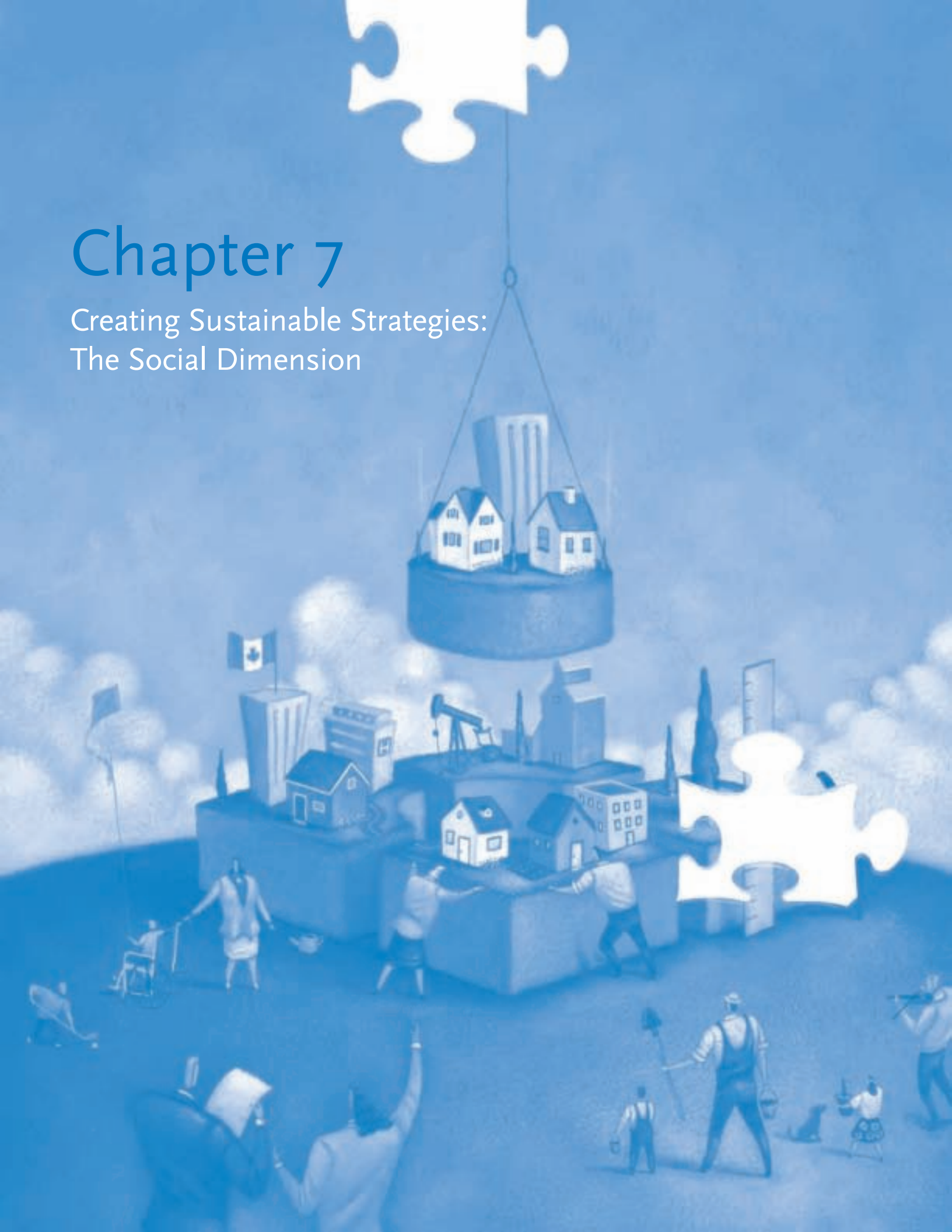
Recommendation 3b:

The Committee therefore recommends that all governments, the private sector and civil society pursue the following activities to improve the long-term liveability of our cities and communities:

- **increasing funding for the development of innovative environmental technologies that would benefit communities, thereby increasing Canadian expertise and commercializing Canadian knowledge**
- **developing an integrated national renewable energy strategy to decrease dependency on fossil fuels and other non-renewable resources, reduce local air pollution, reduce greenhouse-gas emissions, decrease reliance on large-scale energy generating stations and increase the use of renewable energy**
- **developing a greener national freight strategy to allow quicker and cheaper connections to Canada's markets, including rail connections**
- **coordinating planning decisions by governments at the municipal level to increase public transit, manage sprawl, reduce waste and improve air quality, water quality and water supply, and**
- **revitalizing Canada's urban cores to create more vibrant and healthy communities through environmentally sustainable infrastructure, redevelopment of contaminated (brownfield) sites and the creation of more compact cities.**

Chapter 7

Creating Sustainable Strategies: The Social Dimension



Chapter 7
Creating Sustainable Strategies: The Social Dimension

The Committee's consideration of the social dimension of creating sustainable strategies — the third element — led us to six findings:

- prosperous and vibrant places support community cohesion and reinforce competitiveness
- urban quality of life is key to sustaining economic prosperity because appealing cities attract investments, technology and highly qualified labour
- the reverse is also true: concentrations of social disadvantage can create negative neighbourhood effects that erode individual capabilities, reinforce low productivity and incomes, foster alienation and lead to further failure
- program designs constrain progress and planning choices exacerbate rather than reduce this problem
- there need to be local capacities and organizations to lead change, and there has to be a willingness on the part of all partners to integrate services and investments, and
- the way that government works needs to change to deliver better services and outcomes.

It is clear that creative, prosperous and vibrant places support the opportunities, services and community cohesion that in turn help to ensure progress in cities. The reverse is also true: concentrations of social disadvantage can create "negative "neighbourhood effects" that spawn not new ideas or connections but multiply the constraints on progress, as barriers in one aspect of life become linked to others in a decaying community infrastructure."[1]

We have already emphasized how some social outcomes from the last decade have caused concern — particularly the recent emergence of concentrated areas of low-income populations with an apparently negative dynamic for safety, society and the economy. There is a restlessness for change in these communities, in the places that surround them and in the legislators and officials who serve them.

Some excluded communities may be internally cohesive, in that they recognize and are tolerant of their mutual interconnections and dependencies, although many are not. Strong social capital tends to support the ability of communities to adapt positively and productively to changing circumstances.[2] Diversity and mobility are essential to a competitive economic future. As families and singles now move more often, however, they also need to be able to place themselves in new neighbourhood contexts. There is no evidence that Canadian households value places less than in the past. Places and neighbourhoods become important settings for social ties, reciprocal support and the human interactions that make us a society rather than a collection of family units. Families are critical to the social well-being of Canada, but as the nuclear family becomes a less frequently chosen

Sustainable futures for Canada will be better and more readily attained if progress is inclusive rather than exclusive.

1 Neil Bradford, "Place Matters and Multi-level Governance: Perspectives on a New Urban Policy Paradigm", Policy Options, XXV.2 (2004), p. 40.
2 Francis Fukuyama, "Social Capital and Civil Society," presentation to the International Monetary Fund Conference on *Second Generation Reforms*, 1999 [Cited 31 May 2006.] <www.imf.org/ external/pubs/ft/seminar/1999/reforms/fukuyama.htm>.

lifestyle, the networks of friends and the soft and weak ties of neighbouring become crucial to individuals. Sustainable futures for Canada will be better and more readily attained if progress is inclusive rather than exclusive.

Diversity and immigration

Diversity and immigration are challenges that Canada has met effectively in the past, although outcomes over the last decade — notably recent immigrant employment rates, housing costs and health-care costs — are less positive.[3] It would take few who oppose diversity to sour the atmosphere in the streets and neighbourhoods of Canada. The government would be unwise to ignore the kinds of consequences of long-term minority disadvantage and alienation that were, in different ways, manifested in 2005 in the subways of London, the streets of France, and on the beaches of Sydney. Canada values itself as a place of inclusion. We think our past record of immigration followed by integration and income growth for immigrants is now fraying at the edges, not least at the edges of our biggest cities. That needs to change.

The Committee heard that immigration was one of the most significant issues facing our cities and communities today. Although they are usually most closely aligned with social policy, immigration numbers, places of settlement, community receptivity and labour-market integration are linked to the economic, social and cultural well-being of our cities and communities, too.

Canada's future and its economic strength lie in its diversity. As a destination for immigrants, Canada must ensure the successful integration of its diverse population by fostering a sense of common citizenship rooted in this diversity. The best indicator of the success of immigrant integration is the ability of new arrivals to establish themselves in the workplace. It is also an important indicator of the vitality of communities. But overlapping jurisdictions make it difficult to reduce barriers, such as obstacles to recognizing non-Canadian credentials. Cooperation among governments and the active involvement of employers, citizens and local organizations supporting immigrants will make a considerable difference.

The underemployment of skilled immigrants

In 2003 a group of Toronto citizens identified the problem of the underemployment of skilled immigrants as a critical issue affecting the future prosperity and competitiveness of the city and surrounding areas.

Civic leadership and collaboration among a wide range of individuals and institutions resulted in the establishment of the Toronto Region Immigrant Employment Council. The council seeks local solutions in carrying out its three aims: increasing access to value-added services for immigrants, building the capacity of employers and institutions to deal more effectively with immigrants, and working with all levels of government to create a more coordinated local approach to public policy on the issue of underemployment.

The network of citizens and institutions created through the council has built a new capacity to find solutions that are grounded in local needs and realities. To date over 1,000 immigrants have participated in the council's programs, and more than 150 organizations from the public, private and voluntary sectors have become partners in its projects.

3 See the statistical data in chapter 1 above and see also *Health of Canadians Living in Census Metropolitan Areas* (Ottawa: Statistics Canada, 2004) and Statistics Canada, *Evolving Housing Conditions in Canada's Census Metropolitan Areas, 1991-2001* (Ottawa: Statistics Canada, 2004).

The town of St. Leonard in New Brunswick is striving to attract new arrivals with a program that involves the community in welcoming immigrants and working with them throughout the integration process.

Different sizes of communities face very different immigration challenges and require very different solutions. For large cities, the issue is often coping with a large influx of new arrivals. In mid-sized cities, attracting and retaining immigrants is the main issue, one that requires broad involvement to foster the creation of a welcoming community. Smaller towns and communities face the opposite challenge: not enough immigrants arrive with the skills, energy and new perspectives needed for a vital and vibrant community. The town of St. Leonard in New Brunswick is striving to attract new arrivals with a program that involves the community in welcoming immigrants and working with them throughout the integration process.

The voluntary sector

In the mobile economy, the ability to make neighbourhood and community contacts and form useful attachments to places relatively quickly becomes more and not less important. Governments should recognize this importance and respond with a local policy approach. Neighbourhood and community involvement will often be the appropriate way to use the informed and strong ties that exist within places to lead action. We believe that community involvement is often an afterthought for governments in Canada.

These emerging challenges pose a number of difficulties for governments and communities, and they are not all about finding more resources to pursue social goals. If society requires more mutual care, and if we are likely to have more rather than less leisure time, then new ways of engaging volunteers in acts of citizenship and neighbourliness may be required.

Photo: photolux

Ottawa, Ontario

The voluntary sector plays a critical role in our communities.[4] All of us can think of non-profit organizations and charities that work in communities — providing specialized social and health services to citizens of all ages and ethnicities, enriching our cultural and artistic lives, challenging us to protect our natural environment, and contributing to the economic health of the towns and cities where we live.

Voluntary-sector organizations facilitate cross-sectoral and inter-jurisdictional initiatives, whether tackling problems of homelessness and family violence, welcoming new immigrants and helping them to settle in Canada, responding to the needs of specific population groups like seniors or Aboriginal youth, or working with law-enforcement agencies

4 The voluntary sector accounts for 161,000 registered non-profit organizations and 2 billion hours of time donated by Canadians annually, with two-thirds of these groups working locally in particular communities. The sector represents 8.6% of Canada's GDP when voluntary labour contributions are included, and 6.9% of GDP without volunteer time: *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations* (Ottawa: Statistics Canada, 2004).

Aboriginal communities — facing challenges

The Aboriginal population on reserves suffers from an 'end-of-the-road' effect in relation to public service provision. Put bluntly, there is a shortage of 30,000 affordable housing units on reserves, and educational programs and outcomes are often barely above the levels found in developing countries.

Within our cities, the rapidly growing urban Aboriginal population is predominantly clustered into segregated neighbourhoods. Adverse crime, health and education outcomes follow. Aboriginal youth is forming a growing and significant share of net new labour supply. The Committee recognized that a growing proportion of Canada's home-grown labour supply is now emerging from poor and deteriorating places, especially in western Canada. As well, there are already signs that younger urban Aboriginals are dissatisfied with the economic, environmental, social and cultural choices left them by the nation.

on community policing. The sector helps to fill cracks between government programs, and often acts as a conduit and advocate for communities. Any successful plan for social sustainability must integrate these roles into its strategy and engage younger generations, finding new ways to harness their energy and hunger for making a meaningful civic contribution. As Canadians have become more mistrustful of government they have also come to give more support, in donations of time and cash, to not-for-profits that listen, learn and provide services locally.[5]

The difficulties of the poorest Canadians

A sense of place in social policy has largely disappeared in Canada. And some core programs that once dealt with the difficulties of the poorest Canadians have largely disappeared: providing affordable low-income rental housing, for instance. Present trajectories for housing policies suggest that homelessness (the ultimate exclusion) and affordable housing shortages will increase unless policies change. We believe that countering this is likely to involve the provision of better not-for-profit homes with an emphasis on creating mixed communities, neighbourhood management and asset ownership for both communities and low-income households.

The concentration of low-income households is well developed and some poor contexts have become corrosive to individuals and communities living within them. Adequate safety nets and core services may not be enough to change them. While good, basic and efficiently delivered services must be available to all Canadians who need them, we believe that wider action is needed to create the capacities for non-governmental organizations on the ground in our most deprived places to access government programs designed to support all Canadians, such as income security and unemployment insurance. Service delivery for poor places is a business that needs severe re-engineering.

Canada is increasingly polarized between those who enjoy the benefits of Canada's prosperity and quality of life and those who do not.[6] Reversing that trend will require the coordination of national resources and leadership both internally within government and with local expertise, energy and understanding of particular regional

5 World Economic Forum, *Trust in Governments, Corporations and Global Institutions Continues to Decline*, Geneva, Switzerland, 15 December 2005 [Cited 31 May 2006]. <www.weforum.org/site/homepublic.nsf/Content/Full+Survey%3A+Trust+in+Governments%2C+Corporations+and+Global+Institutions+Continues+to+Decline>.

6 Bradford, "Place Matters," p. 40.

Social-economy measures work to bridge the gap between marginalized individuals and the main-stream marketplace through a range of measures, such as providing labour market skills, encouraging greener neighbourhoods and recognizing value in social innovation and cultural diversity.

challenges. For example, with respect to the integration of policies at local levels or neighbourhood renewal, a strategy of coordination will combine the macro-level intervention ability of the federal government with the flexibility, innovation and community involvement of local agencies and governments, allowing for progress in areas ranging from affordable housing to improved opportunities for Aboriginal peoples.

The Committee believes that international efforts in neighbourhood renewal, which have expanded significantly in the last decade as nations and cities try to cope with growth inequalities, contain important lessons for Canada.[7] These lessons include the need for partners to create new governance structures and local vehicles, develop local capacity, and have clear outcome targets. We also believe that if they are to be sustainable, community and neighbourhood revitalization efforts that focus on providing housing and services and on building social capital have to be set within the context of wider city-region and regional economic strategies. Social-economy measures work to bridge the gap between marginalized individuals and the main-stream marketplace through a range of measures, such as providing labour-market skills, encouraging greener neighbourhoods and recognizing value in social innovation and cultural diversity. Some successful social enterprizes have built

Photo : Ville de Québec

Québec, Quebec

7 Efforts are taking place in a number of OECD countries, including Sweden's Local Development Agreements (<www.sweden.gov.se/sb/d/2188/a/15847>), the Netherlands' Major Cities Policy (<www.urbanregeneration.nl>) and the UK's New Deal for Communities, with Local Strategic Partnerships, a Neighbourhood Renewal Fund Safer, and Stronger Communities Fund (<www.neighbourhood.gov.uk>).

connections bringing excluded populations into wider markets over time, improving Canada's overall competitiveness.[8]

Society-wide asset-building efforts are essential to harmonizing inclusion and wealth creation: home-ownership measures for moderate and low-income households, worker-owned enterprises and share ownership, for instance. They should be encouraged. In poorer areas, there is a potential to expand social-economy actions such as credit unions and shared assets for work (gardening and agricultural implements, for example). The kinds of measures promoted by the *Community Reinvestment Act* in the US and supported by the major financial institutions should be assessed for Canadian purposes.

The federal government now has to fashion a modern program for remaking the worst among Canadian places and to take them from growing restlessness to a new resilience. This is the coherent approach that would underpin a range of critical issues for Canada, from high violent-crime rates in Toronto to the difficulties facing urban Aboriginals in most of Canada's big cities.

National leadership and national resources remain essential to the social sustainability of Canada's communities. The federal government remains the level of government most able to protect the vulnerable and marginalized and to track best practices. Local governments are the ones with the most to gain and most able to understand the special circumstances that give rise to exclusion and the initiatives that can address them.

Action for Neighbourhood Change

Action for Neighbourhood Change, a policy-research pilot program, was launched in early 2005 as an integrated approach to improving lives and strengthening a sense of community within stressed neighbourhoods.

The program engages residents in a community-led revitalization process, building the capacity of individuals, families and neighbourhoods to work together. From its initial experience in Surrey, Regina, Thunder Bay, Toronto and Halifax, participants in the pilot program hope to learn how governments, service agencies and business might work together better to provide a more robust and stable system of community support. *Action for Neighbourhood Change* recognizes that various challenges interact in places of poverty, and that local contexts determine individuals' opportunities and the strength of support networks.

Other federal programs and policies, each sharing the view that communities are rich in skills, energies and the capacity for local innovation, recognize that communities have the capacity to figure out what is needed to make things better. Streamlining funding support to maximize its value, and inviting provinces, territories and municipalities alongside, a number of federal departments have sought to make sure that neighbourhoods have the flexibility and support needed to achieve their pathways to health, security and well-being.

8 Nancy Neamtam, "The Social Economy: Finding a way between the Market and the State," *Policy Options*, XXVI.6 (2005): pp. 71-76.

Recommendation 3c:

The Committee therefore recommends that governments work together and with civil society to identify and prioritize at-risk neighbourhoods and communities and those with potential to change. Solutions will vary; in some cases this may be most effectively accomplished through the development of tri-level agreements. New approaches should seek to learn from the federally funded *Action for Neighbourhood Change* pilot program for community development, and include the creation of community capacities, integrated streamlining of services and sustained program support in some instances.

Chapter 8

Creating Sustainable Strategies: The Cultural Dimension

Chapter 8
Creating Sustainable Strategies: The Cultural Dimension

Canadians feel great pride in the places in which they live, a pride that goes beyond economic achievements, social equality and natural wealth. Canada's cities and communities need jobs, roads, housing and schools, but their citizens also need to feel connected with each other and to enjoy a sense of shared community identity. That community identity is the basis of what we mean by culture, and our sense of who we are in our communities is our cultural identity.[1]

Culture influences and affects rather than dictates and forces community evolution. Cultural sustainability ties together the other three dimensions, and is essential to community success.

Photo: Corel Corporation

Main street in winter, Pangnirtung, Northwest Territories, Canada

UNESCO's 2001 Declaration on Cultural Diversity defines culture as "the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs." It is culture, therefore, that defines who we are.

Culture is both a set of objects (art, music, theatre, buildings) and set of processes. Culture is not just the pictures and books produced by regions or communities or nations; it is also their beliefs, their behaviour and how they develop and express them. It is this latter sense of culture that is most important for creativity and sustainability in the long-term.

As a Committee, we easily understand the importance of economic, social and environmental sustainability to the well-being and future of our cities and communities. These three dimensions are familiar in most discussions of sustainability. Important as they are, they do not address some fundamental questions: Who are we? What are our sometimes competing identities, and how are they reconciled? What makes us different from each other, and our communities from other communities and from the rest of the world? Early in our deliberations we found the answer in a fourth dimension of sustainability — culture. This concept of cultural sustainability is being considered in many different countries, most notably Australia.[2] John Hawkes sees culture not simply as one dimension of

1 Jon Hawkes, *The Fourth Pillar of Sustainability: Culture's Essential Role in Public Planning* (Melbourne: Common Ground and the Cultural Development Network, 2001), p. 1.

2 D. Yencken and D. Wilkinson, *Resetting the Compass: Australia's Journey towards Sustainability* (Collingwood, Victoria: Commonwealth Scientific and Industrial Research Organisation Publishing, 2000).

The Committee recognizes that Canadian communities need to sustain culture to achieve vibrant, secure and sustainable cities and communities.

sustainability, but as an underpinning to all else.[3] More work needs to be done, however, on the link between culture and place.

Cultural sustainability does not resonate as strongly with governments as the other dimensions. This can be explained by the way in which culture influences and affects rather than dictates and forces community evolution. Cultural sustainability ties together the other three dimensions, and is essential to community success.

From this perspective we found that

- those Canadian cities and communities that have recognized the importance of culture are better positioned to meet future challenges and opportunities
- Canada's culture of the future will be shaped by, and shape, how we learn, work and live, and
- strong cultural engagement can substantially improve the cohesiveness, confidence and international image and attractiveness of places, with attendant economic, environmental and social benefits.

1. Those Canadian cities and communities that have recognized the importance of culture are better positioned to meet future challenges and opportunities

Cultural sustainability

Cultural sustainability is the highest attainable level of creative expression and participation in cultural life, measured against the greatest benefit and lowest impact or disruption to the environment, social aspects of society, and the economy.

In today's global reality, identity and sense of place matter. Distinctive places attract and retain talented people, encourage development and growth, and drive tourism and migration. Culture brings vitality and resilience to places, and is vital to turning a place into a community. Engaging in cultural enterprises transforms each of us into a member of a community, whether it is engaging with neighbours to celebrate Canada Day in a block party, taking part in local theatre or festivals, being in a neighbourhood book club, cheering the local hockey team to victory, or meeting returning Olympic athletes. In short, culture matters. The Committee recognizes that Canadian communities need to sustain culture to achieve vibrant, secure and sustainable cities and communities.

2. Canada's culture of the future will be shaped by, and shape, how we learn, work and live

In a way, Canada's strong cultural identity is a paradox. We have a strong and vibrant identity, but that identity is one that is based in tolerance, openness and respect for diversity. We take great pride in our openness. As Canada relies more and more on immigration for our economic performance, our cities and communities struggle with how to welcome new arrivals while keeping hold of a sense of community identity.

3 In his summary, Hawkes writes: "A society's values are the basis upon which all else is built. These values and the ways they are expressed are a society's culture. The way a society governs itself cannot be fully democratic without there being clear avenues for the expression of community values, and unless these expressions directly affect the directions society takes. These processes are culture at work." (*Fourth Pillar*, p. i).

The Stratford Festival: the economic knock-on effects of the arts

Starting out as the brainchild of Tom Patterson in the 1950s to compensate for the collapse of the local railway industry, the Stratford Festival has made the city of Stratford synonymous with high-quality theatre. The small theatre festival of 1953 is now responsible for a full 12% of tourism in south-western Ontario, drawing over 590,000 visitors in 2005 alone.

According to Ontario government figures, the Stratford Festival generates more than $340 million in economic activity and supports over 6,000 local jobs. It contributes $179 million in economic benefits to the province annually. Pretty impressive for a town of 30,000!

Instead of seeing culture in isolation, we need to understand its link — both actual and potential — to Canada's competitiveness

As Canada's cities and communities change over the next thirty years, we will need to underscore the importance of inclusiveness. During the civil war in Bosnia-Herzegovina, the world watched in horror as people whose families had lived next door to each other for centuries were caught up in extremes of cultural nationalism. Sadly, the post-colonial insurgencies and wars in Africa have led to genocide and ethnic cleansing across the continent. Closer to home, Canada's Aboriginal communities acutely feel the scars of the destruction of their culture through residential schools. And Chinese Canadians who had to pay the racist head tax (1885-1923) were made to feel second-class.

3. Strong cultural engagement can substantially improve the cohesiveness, confidence and international image and attractiveness of places

A powerful sense of history can anchor a community and contribute immensely to its sense of self. Celebrating that heritage reinforces the distinctiveness of a community, provides the inspiration for further cultural endeavours, and can offer important tourism opportunities, particularly in smaller communities.

Instead of seeing culture in isolation, we need to understand its link — both actual and potential — to Canada's competitiveness. Our nation's cultural assets are second to none in the world, yet we lag our peers in both productivity and creativity.[4] A more effective harnessing of our cultural strengths to our economic vitality could yield enormous gains.

Les Arts et la Ville

Les Arts et la Ville is a coalition of municipal officials, artists and cultural partners founded in 1987 to promote and protect artistic and cultural vitality at the local level. The coalition aims to promote cultural democracy in cities and municipalities, to develop, adopt and promote cultural policies, to encourage the creation and diffusion of arts and culture at the local level, and to exchange knowledge, information and experiences with other members of the coalition. The coalition acts as an intermediary between municipalities and the provincial and federal governments in matters of culture and the arts. Although it began as a national organization, it is now only active in the province of Quebec, where it represents close to 48 communities (60% of the population), artists, and cultural organizations.

4 Meric Gertler, Richard Florida, Gary Gates and Tara Vinodrai, *Competing on Creativity: Placing Ontario's Cities in North American Context* (Toronto: Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity, 2002), p. 16.

Creative City Network

The Creative City Network of Canada was set up by municipal cultural development professionals to improve their practices through collective information sharing and regular communications. The network establishes national cultural links among people employed by municipalities working on the arts, culture and heritage policy, planning, development and support, enabling them to share best practices and experiences, and to develop partnerships and exchanges for improving the quality of their work on behalf of all citizens.

In the context of hospital wait times, environmental disasters and productivity concerns, culture is often given short shrift — or even seen as unnecessary or a luxury. The importance of culture gets lost in platitudes or light statements. The Committee recognized that the issue of community identity is anything but light and easy. Much of what makes us Canadian and what we project to the world as our values is based on our culture, and not on our industrial or military might.

Knowing this, we were much encouraged to learn that in New Zealand culture is now legislated into the *Local Government Act*. The *Act* reads, in part, "The purpose of local government is...to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future."[5]

This approach to culture does not put it aside in times of stress or difficulty but at the heart of the community, not as an afterthought but an underpinning to our communities.

Photo: Edomonton.com

Edmonton, Alberta

5 Government of New Zealand, Statutes of New Zealand, 9 May 2006. [Cited 31 May 2006.] <www.legislation.govt.nz/browse_vw.asp?content-set=pal_statutes>.

While there is an obvious economic value that can be assigned to an artistic endeavour — the selling price of a painting or the jobs created in supporting a theatrical production — the value of the arts goes further. The architecture and public art of a city or town can have an enormous impact on the local sense of neighbourhood and community, which in turn affects sustainability. And the spin-off social and economic benefits of the arts are countless: enhancing education, building social capital, inspiring innovation, developing a creative class and branding Canada internationally.

In recent years, research has demonstrated that the creative classes are often attracted to cities with strong arts, theatre and music traditions. Along with creative communities in business, design, finance and government, the creative classes have roles not just as artists but also in helping shape atmosphere and networks that can turn chance meeting into innovation. Making such an atmosphere requires venues, public safety, and trust and rewards.

In many rural and Aboriginal communities, the artisan sector makes a major contribution to the local economy while helping to establish the icons that identify Canada around the world. A smaller, more tightly knit community can be highly attractive to many artists, resulting in the development of communities like BC's Hornby Island. Folk traditions often thrive in these communities, and help to replenish the cultural well in Canada's cities.

In our travels across Canada, the Committee observed that Canadians from all sizes of communities identified with the places where they lived, in many cases as much as they identified with their sense of Canada as a nation. Residents of Drumheller, Alberta, for instance, take great pride in locally discovered dinosaur remains and Vancouverites love their café culture and movie industry.

Cultural Capitals of Canada

The Cultural Capitals of Canada program celebrates and promotes the arts and culture in Canadian municipalities through recognition of excellence and support for special activities. Each year municipalities compete to be designated as a Cultural Capital of Canada. The designations are awarded to single municipalities or groups of municipalities that submit a proposal to celebrate and build a legacy for the arts and culture. Up to five communities are named annually, and each receives a financial award to support artistic and cultural activities.

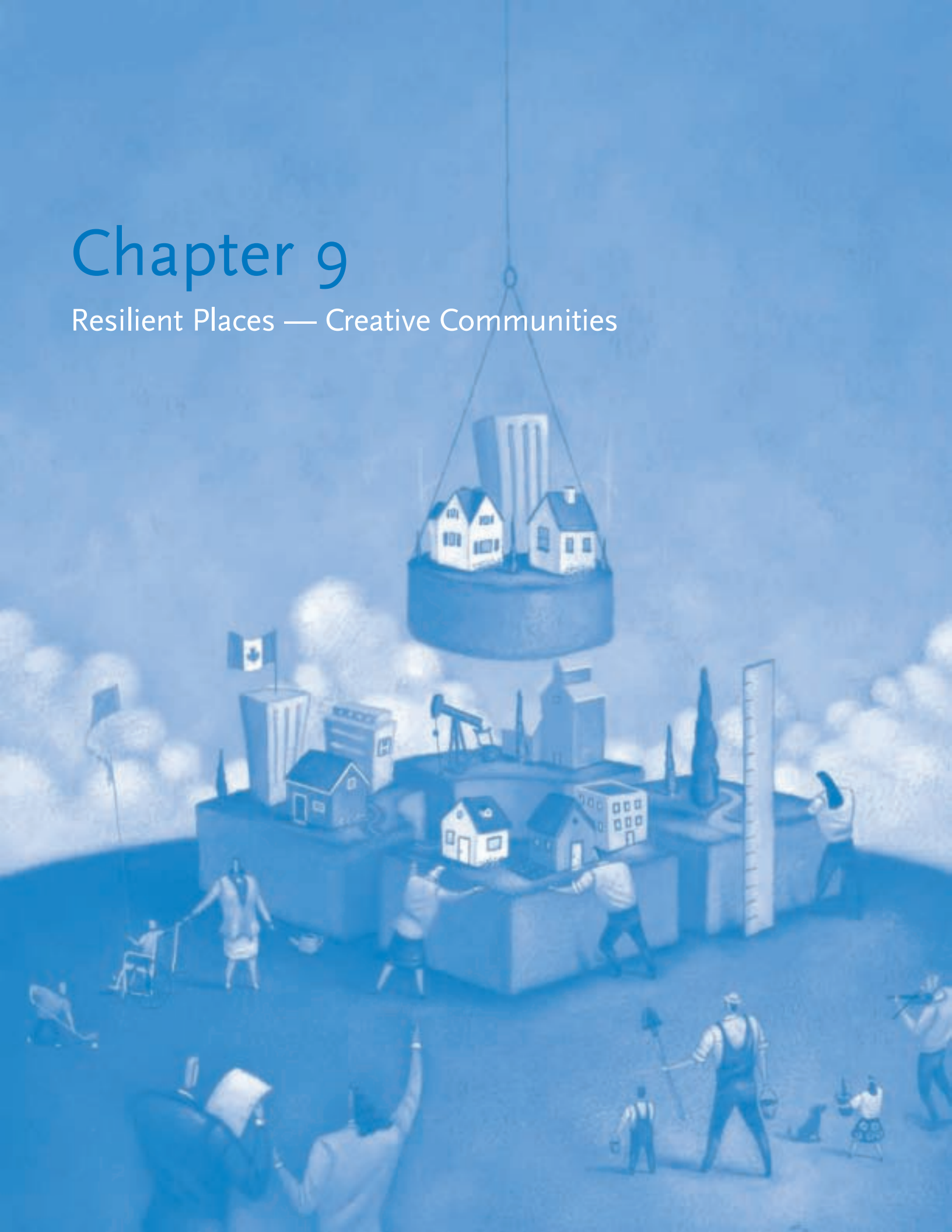
In the light of growing pressures to be globally competitive while contending with increased immigration, an aging population and a threatened environment, we need to sustain our culture, our identities and our sense of place. And for all its challenges, globalization is actually highlighting our need to value communities and to encourage engagement at the local level.

Recommendation 3d:

The Committee therefore recommends that the federal, provincial, territorial and municipal governments, together with the private sector, establish and endow a not-for-profit Culture in Place Foundation. This foundation would build on international and national best practices in cultural strategies for cities and communities that seek to engage all citizens and that have long-term economic, environmental, social and cultural benefits. The foundation would integrate and strengthen existing efforts such as the national Cultural Capitals of Canada program and the municipally-based Creative City Network and Les Arts et la Ville. With the aim of stimulating policies and programs in the arts, sports and other cultural fields in all provinces and territories, the foundation would act as a catalyst in building capacity for culture and cultural planning and foster best practices and innovation in communities of all sizes.

Chapter 9

Resilient Places — Creative Communities



Chapter 9
Resilient Places — Creative Communities

During the last few decades of the 20th century our cities and communities changed dramatically. Immigration to our large cities increased from all areas of the world, bringing with it diversity, opportunities and challenges. Our largest cities have gone from operating in a Canadian context to being players on an international stage. Our medium-sized cities have in many cases started to carve out niches for themselves regionally, and to diversify their economies to meet the challenges of the future. Some of our traditional resource industries collapsed, and with them the communities that had developed to support them, while other resource-based communities have prospered and struggle to meet labour and housing demands. In all places, public infrastructure investment has slipped, responsibilities have been devolved from federal, provincial and territorial governments without adequate resources, and the environmental and social consequences of policies in our cities and communities have been ignored.

Canada needs to retake its place in the world at the forefront of international thinking about how we create better places for today and better prospects for tomorrow. Over the last decade we have slipped behind in these key areas of thinking and action for all our futures, and that must change.

In earlier chapters of this report we have argued that metropolitan regions and cities, in particular, have important roles in creating the atmosphere and attracting the human capital that is most likely to stimulate creativity. Much of what we envisage for policies on places is not arguing for new big programs and spending our way to better cities. We believe that the main route to better places lies in unleashing creativity — creativity in work and business, in the design of buildings and places, in music and art, and most critically in how we govern, design and deliver policies.

Travel for a moment across the country, and consider:

- In Vancouver, some mixes of housing are so successful that a visitor would be unable to tell the social housing from the market housing.
- In Calgary, at the heart of Canada's oil industry, light rail moves passengers swiftly throughout the city powered by wind-generated electricity.
- The Halifax Port Authority's seawall reconstruction project will incorporate the Nova Scotia College of Art and Design and anchor a new arts and culture district.
- Trinity, Newfoundland responded to the decline of the local fishery with a summer theatre festival, drawing thousands of tourists and promoting local culture.

These accomplishments have a common thread: they each draw on creativity. But Canada is failing to maximize linkages between creativity and economic success — and failing to live up to our nation's economic potential.

What do we mean by creativity?

We use the term creativity in a very specific way here: to mean the capacity to generate an idea through imagination, to develop it into a specific invention and then capture the benefits through innovation. This can include anything from the increased production of material goods to an improvement in the democratic process, from a vibrant new performing-arts community to a technical advance in transportation that reduces pollution and improves air quality.

Our communities must have adequate capacities in three areas:

- productive creativity: the ability to attract, retain and nurture talent, and to foster the clustering of innovative enterprises, commercial as well as social
- civic creativity: an engaged population, acting collectively through the community and government to shape their future, and
- community cohesion: a sense of belonging and shared purpose among individuals and groups at the local level, supported in part through creative expression.

This is just as true for smaller communities as it is for large cities.

Canada needs to retake its place in the world at the forefront of international thinking about how we create better places for today and better prospects for tomorrow.

While we are used to thinking of the global economy in terms of nations competing with nations, or firm with firm, the current reality is different. In many areas of international exports, competition is more often between a connected set of enterprises in one city and another city's set, one creative and economic network competing with another. Canada will find much greater success if our cities and communities focus on competing with the world rather than against each other. Each of our cities and regions can draw on the strengths of its neighbours to go head-to-head with our real competitors.

Gateway communities play a particularly important role. As hubs for flows of information and human travel, they possess critical creative links both to the outside world and to communities within Canada. Those links can foster creativity within gateway communities, and the gateway communities can make sure that the information they receive enriches communities throughout their network.

Creativity is pivotal to our vision of sustainable communities. Imagination and innovation will be essential to finding lasting solutions to the challenges our communities face, and to securing a prosperous future for our citizens. For each dimension of sustainability, creativity is vital:

- creativity helps Canadian business to succeed in the global marketplace
- it allows us to devise new, more efficient, less environmentally damaging processes in sectors from resources to farming to manufacturing

Vulcan, Alberta lives long and prospers with a Star Trek approach

Faced with the changes many rural prairie towns are coping with — technological change, a fluctuating grain economy and population flight — the people of Vulcan took a creative approach to attracting tourism.

Playing on the name they share with the fictional home planet of Star Trek character Spock, the town decided to host a convention now known as Galaxyfest, aimed at attracting the show's remarkably loyal fan base.

When that proved to be an overwhelming success, they also commissioned a 10-metre-long replica of the Starship Enterprise, built a tourist station using Star-Trek-like architecture, and in 2000 a UFO landing pad bearing a Starfleet shuttlecraft. Tourism has grown rapidly, from 437 visitors in 1997 to 12,861 in 2000.[1]

1 Vulcan Trek site (Vulcan, AB: Town of Vulcan) [Cited 31 May 2006.] <www.town.vulcan.ab.ca>.

- it allows us to develop ground-breaking new policies and programs, shedding old preconceptions, to help ensure a more inclusive and just society, and
- it fosters the design of our cities and communities, contributing to our sense of who we are and our community identity.

But what may be even more important is the creative mindset itself. This is especially true in government, where there is a public duty to make the best possible use of resources. As one member of the Committee suggested, we cannot double our investment in poor practices and expect better results — we need to innovate to improve those practices, and make sure those investments yield the returns that can support our continuing prosperity. Modelling the new mindset is a crucial way of encouraging its adoption and application within communities across Canada.

Looking back over the past few decades, the Committee found that despite periodic interest in cities, the federal government has failed to keep up with the changes being faced by communities. The Committee feels that the time has come to revisit questions about places, and for the federal government to act in partnership with provinces, territories and municipalities to create opportunities for success and improve the lives of all Canadians.

In the medium-term, the federal government can aid in providing funding and support to optimize connections among Canadian cities and communities and out to the world, to shore up crumbling municipal infrastructure, to support community and neighbourhood renewal, and to foster a culture of creativity.

Over the long-term, the federal government can work with other orders of government and all Canadians to foster a new culture of sustainability and creativity, so that communities across Canada can make their own strong, resilient places for the future. Creativity has to be the modern spirit of our places. Creativity must become the distinguishing feature of our culture, addressing restlessness head-on.

Now is the time to start to put the future in place!

Photo: City of Toronto

Toronto, Ontario

Annex:

Works Cited, Committee Meetings and Presentations to the Committee

Works Cited

Best, Robert. *Notes for a Presentation to the Prime Minister's External Advisory Committee on Cities and Communities*. Ottawa: Association of Universities and Colleges of Canada, 18 April 2005.

Bradford, N. "Place Matters and Multi-level Governance: Perspectives on a New Urban Policy Paradigm." *Policy Options*, XXV.2 (2004).

Brundtland, Gro Harlem, ed. *Our Common Future: The World Commission on Environment and Development*. Oxford: Oxford University Press, 1987.

Burnett, R., S. Cakmak and J.R. Brook. "The Effect of the Urban Ambient Air Pollution Mix on Daily Mortality Rates in 11 Canadian Cities." *Canadian Journal of Public Health*, LXXXIX (1998).

Conference Board of Canada. *The World and Canada: Trends Reshaping our Future*. Ottawa: Conference Board of Canada, 2005.

David Suzuki Foundation. *The Maple Leaf in the OECD: Comparing Progress toward Sustainability 2005*. Vancouver: David Suzuki Foundation, 2005.

Diamond, Jared. *Collapse: How Societies Choose to Fail or Succeed*. Toronto: Viking, 2005.

Enid Slack Consulting. *Presentation to the External Advisory Committee on Cities and Communities Meeting*. Toronto: Enid Slack Consulting Inc., 26 April 2004.

Environment Canada. *National Air Pollution Surveillance Network: Air Quality in Canada: 2001 Summary and 1990-2001 Trend Analysis*. Ottawa: Environment Canada, 2004.

Environment Canada, Statistics Canada and Health Canada. *Canadian Environmental Sustainability Indicators 2005*. Ottawa: Environment Canada, Statistics Canada and Health Canada, 2005.

European Commission. *Regional Clusters in Europe. Brussels*: European Communities, 2002.

Federation of Canadian Municipalities. *Cities for Climate Protection Campaign*. [Cited 31 May 2006.] <http://kn.fcm.ca/ev.php?URL_ID=2805&URL_DO=DO_TOPIC &URL_SECTION=201& reload=1120472914>.

Federation of Canadian Municipalities. *Ecological Footprints of Canadian Municipalities and Regions*. Ottawa: Federation of Canadian Municipalities, 2005.

Florida, Richard. *The Rise of the Creative Class*. New York: Basic Books, 2002.

Friedman, T. *The World Is Flat: A Brief History of the Twenty-First Century*. New York: Farrar, Straus and Giroux, 2005.

Fukuyama, Francis. "Social Capital and Civil Society." Presentation to the International Monetary Fund Conference on Second Generation Reforms, 1999. [Cited 31 May 2006.] <www.imf.org/external/pubs/ft/seminar/1999/reforms/fukuyama.htm>.

Gordon, Ian. Unpublished presentation on "Labour Market Integration Policies to Enhance Social Cohesion" to the OECD-Government of Canada Conference on Sustainable Cities: Linking Competitiveness with Social Cohesion. Montreal, 13-14 October 2005.

Human Resources and Skills Development Canada. *Can Policy Slow the Projected Reductions in Canadian Labour Force Growth?* HRSDC Policy Research Note. Gatineau: Human Resources and Skills Development Canada, 2004.

Infrastructure Canada. *Assessing Canada's Infrastructure Needs: A Review of Key Studies*. Ottawa: Infrastructure Canada, 2004.

Gertler, M., R. Florida, G. Gates and T. Vinodrai. *Competing on Creativity: Placing Ontario's Cities in North American Context*. Toronto: Ontario Ministry of Enterprise, Opportunity and Innovation and the Institute for Competitiveness and Prosperity, 2002.

Hawkes, J. *The Fourth Pillar of Sustainability: Culture's Essential Role in Public Planning*. Melbourne: Common Ground and the Cultural Development Network, 2001.

Her Majesty's Treasury, Department of Trade and Industry and the Office of the Deputy Prime Minister. *Devolving Decision Making: 3 — Meeting the Regional Economic Challenge: The Importance of Cities to Regional Growth*. London: Her Majesty's Treasury, 2006.

InterVISTAS Consulting. "Gateway Cities in Canada." Report prepared for the External Advisory Committee on Cities and Communities. Calgary, 2006.

Jacquier, Claude. Unpublished presentation on "Les territoires urbains 'en difficulté' peuvent-ils devenir des pôles de croissance?" to the OECD-Government of Canada Conference on Sustainable Cities: Linking Competitiveness with Social Cohesion. Montreal, 13-14 October 2005.

Krugman, P. *How the Economy Organizes Itself in Space: A Survey of the New Economic Geography*. Working Paper no. 96-04-021. Santa Fe, New Mexico: Santa Fe Institute, 1996.

Maclennan, D. *Cities, Competition and Economic Success*. Ottawa: City of Ottawa, 2006. Forthcoming.

Maclennan, D. *Remaking Neighbourhood Renewal: Towards Creative Neighbourhood Renewal Policies for Britain*. Ottawa: Caledon Institute of Social Policy, 2006.

Maxwell, J. "President's Message: Transformation." In *Canadian Policy Research Network Annual Report, 1999-2000: Transformation*. Ottawa: Canadian Policy Research Network, 2001.

Milway, J. *Missing Opportunities — Ontario's Urban Prosperity Gap*. Working Paper no. 3. Toronto: Institute for Competitiveness and Prosperity, 2003.

Milway, J. Institute for Competitiveness and Prosperity. Presentation to the External Advisory Committee on Cities and Communities, Ottawa, 18 April 2005

National Round Table on the Environment and the Economy. *Environmental Quality in Canadian Cities: the Federal Role. State of the Debate on the Environment and the Economy*. Ottawa: National Round Table on the Environment and the Economy, 2003.

Natural Resources Canada. *Climate Change Impacts and Adaptation: A Canadian Perspective*. Ottawa: Natural Resources Canada, 2004.

Natural Resources Canada. I*mportant Facts on Canada's Natural Resources (as of November 2004)*. Ottawa: Natural Resources Canada, 2004.

Neamtam, N. "The Social Economy: Finding a Way between the Market and the State." *Policy Options,* XXVI.6 (2005).

Organisation for Economic Cooperation and Development. *City Competitiveness in the Global Economy* (Paris: OECD, 2006). Forthcoming.

Pomeroy, Steve. *Rethinking Neighbourhood Renewal: Review of the US Experience and Possible Lessons for Canada*. Ottawa: Caledon Institute of Social Policy, 2006.

Porter, Michael. *The Competitive Advantage of Nations*. New York, Free Press, 1990.

Porter, Michael. "The Economic Performance of Regions." *Regional Studies*, IIIVII.6-7 (1993).

Slack, E. *Fiscal Imbalance: The Case for Cities*. Ottawa: Federation of Canadian Municipalities, 2006.

Slack, Enid, Larry Bourne and Heath Priston. *Large Cities under Stress: Challenges and Opportunities*. Report prepared for the External Advisory Committee on Cities and Communities. Toronto, 2006.

Statistics Canada. *The Age of Public Infrastructure in Canada*. Ottawa: Statistics Canada, 2006.

Statistics Canada. *Aboriginal Conditions in Census Metropolitan Areas*, 1981-2001. Ottawa: Statistics Canada, 2005.

Statistics Canada. *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. Ottawa: Statistics Canada, 2004.

Statistics Canada. *Evolving Housing Conditions in Canada's Census Metropolitan Areas, 1991-2001*. Ottawa: Statistics Canada, 2004.

Statistics Canada. *Health of Canadians Living in Census Metropolitan Areas*. Ottawa: Statistics Canada, 2004.

Statistics Canada. *Immigrants in Canada's Census Metropolitan Areas*. Ottawa: Statistics Canada, 2004.

Statistics Canada. *Population Projections for Canada, Provinces and Territories, 2005 to 2031*. Ottawa: Statistics Canada, 2005.

Statistics Canada. *Work and Commuting in Census Metropolitan Areas, 1996-2001*. Ottawa: Statistics Canada, 2005.

Stolarick, Kevin, Richard Florida and Louis Musante. *Montreal, ville de convergences créatives: perspectives et possibilités*. Montreal: Catalytix, 2005.

TD Bank. *Mind the Gap: Finding the Money to Upgrade Canada's Aging Infrastructure*. Toronto: TD Bank, 2004.

Torjman, S. and E. Leviten-Reid. *Innovation and Poverty Reduction*. Ottawa: Caledon Institute of Social Policy, 2003.

Transport Canada. *The Cost of Urban Congestion in Canada*. Ottawa: Transport Canada, 2006.

Travers, Tony. "Governance For Metropolitan Sustainability." Unpublished presentation to the OECD-Government of Canada conference on *Sustainable Cities: Linking Competitiveness with Social Cohesion*. Montreal, 13-14 October 2005.

Willey, Jeff et al. *Human Health Effects of Ozone: Update in Support of the Canada-wide Standards for Particulate Matter and Ozone*. Rev. ed. Working paper prepared for the Canadian Council of Ministers of the Environment. Ottawa: Health Canada, 2004.

World Economic Forum. *Trust in Governments, Corporations and Global Institutions Continues to Decline*. Geneva, Switzerland, 15 December 2005. [Cited 31 May 2006]. <www.weforum.org/site/homepublic.nsf/Content/Full+Survey%3A+Trust+in+Governments%2C+Corporations+and+Global+Institutions+Continues+to+Decline>.

Yencken, D. and D. Wilkinson. *Resetting the Compass: Australia's Journey towards Sustainability*. Collingwood, Victoria: Commonwealth Scientific and Industrial Research Organisation Publishing, 2000.

Committee Meetings February 2004-February 2006

9-10 February 2004 — Ottawa, Ontario
Inaugural Meeting

23-24 March 2004 — Ottawa, Ontario
Theme: Introduction to Sustainability

26-27 April 2004 —Toronto, Ontario
Theme: The Fiscal Toolbox: Context and Options

20-21 May 2004 — Vancouver, British Columbia
Theme: Shift to Sustainability Planning: How to Implement the "Vision" Thing

19-20 July 2004 — Morell, Prince Edward Island
Theme: How to Deal with Rural and Remote and Under-Represented Communities

27-28 September 2004 — Calgary, Alberta
Theme: Immigration, Non-profit and Charitable Sector, and Urban Aboriginal Issues

8-9 November 2004 — Winnipeg, Manitoba
Theme: Culture and Creativity

4-5 February 2005 — Québec City, Quebec
Theme: Environmental Sustainability

7-8 March 2005 — Regina, Saskatchewan
Theme: Mid-sized Cities

18-19 April 2005 — Ottawa, Ontario
Theme: Economic Sustainability

11-12 July 2005 — Saint John, New Brunswick
Theme: Review of Subcommittee Reports

21-23 September 2005 — Ottawa, Ontario
Planning for Sustainable Canadian Communities Round Table

24 September 2005 — Ottawa, Ontario
Theme: Round Table Outcomes

2-4 November, 2005 — Toronto, Ontario
Theme: Governance, Creativity and the Meaning of Sustainability

27-29 November 2005 — Halifax, Nova Scotia
Theme: Gateways

11-13 January 2006 — Montreal, Quebec
Theme: Consolidation of the External Advisory Committee on Cities and Communities' Work

16-17 February 2006 — Gatineau, Quebec
Theme: Final Report: Moving Forward

Presentations and Documents Tabled at Committee Meetings

(Chronologically)

OTTAWA, 9-10 FEBRUARY 2004

Cities Secretariat, Privy Council Office. "Overview of Urban Issues." Ottawa: Privy Council Office Working Group on Canada's Urban Communities, 3 February 2004.

National Round Table on the Environment and the Economy. *Summary Report of the National Round Table on the Environment and the Economy*. Ottawa, 2003.

OTTAWA, 23-24 MARCH 2004

Burleton, Derek, Senior Economist, TD Bank Financial Group. "Sustained Economic Growth Vital to Quality of Life... and Vice Versa." Ottawa, 23 March 2004.

Cities Secretariat, Privy Council Office. "Communications and Outreach Strategy." Ottawa, 24 March 2004.

Cities Secretariat, Privy Council Office. "Innovation and Economic Development in Cities — Executive Summary." Ottawa: Privy Council Office Working Group on Canada's Urban Communities, March 2004.

Cities Secretariat, Privy Council Office. "Strengthening the Social Foundations of Canadian Cities — Executive Summary." Ottawa: Privy Council Office Working Group on Canada's Urban Communities, March 2004.

Cities Secretariat, Privy Council Office. "Sustainable Infrastructure and the Urban Environment — Executive Summary." Ottawa: Privy Council Office Working Group on Canada's Urban Communities, March 2004.

Cities Secretariat, Privy Council Office. "Urban Population Health and Sustainable Communities — Executive Summary." Ottawa: Privy Council Office Working Group on Canada's Urban Communities, March 2004.

Jones, Tim, Executive Director, Toronto ArtScape. Presentation. Ottawa, 23 March 2004.

Leviten-Reid, Eric and Sherri Torjman. *Comprehensive Community Initiatives*. Ottawa: Caledon Institute of Social Policy, March 2003.

Leviten-Reid, Eric and Sherri Torjman. *Innovation and CED: What they Can Learn From Each Other*. Ottawa: Caledon Institute of Social Policy, January 2003.

Leviten-Reid, Eric and Sherri Torjman. *The Social Role of Local Government*. Ottawa: Caledon Institute of Social Policy, March 2003.

Leviten-Reid, Eric, Sherri Torjman and Mark Cabaj. *Who Does What in Comprehensive Community Initiatives?* Ottawa: Caledon Institute of Social Policy, February 2004.

Sarkar, Eileen, Assistant Deputy Minister, Citizenship and Heritage, Canadian Heritage. "Cultural Sustainability." Ottawa, 23 March 2004.

Sheridan, Mike, Assistant Chief Statistician, Statistics Canada. "A Social, Economic and Demographic Profile of Canada's Large Urban Areas." Ottawa, 23 March 2004.

Torjman, Sherri. *Magnets and Glue: A New Tool for Cities*. Ottawa: Caledon Institute of Social Policy, May 2002.

Torjman, Sherri. *A Social Vision for the New City of Hamilton Community Renewal*. Ottawa: Caledon Institute of Social Policy, January 2004.

Vaillancourt, Jérome, Director General, Vivre en Ville. "Collectivités Viables." Ottawa, 23 March 2004.

TORONTO, 26 APRIL 2004

Beauchamp, Tim, Principal, Public Sector Accounting, Canadian Institute of Chartered Accountants. "The Fiscal Toolbox: Context and Options — Accounting for Capital Assets." Toronto, 26 April 2004.

Bissonnette, Guillaume, Special Advisor to the Deputy Minister, Finance Canada. "Objectives of a New Deal." Toronto, 26 April 2004.

McMillan, Professor Melville, Department of Economics, University of Alberta. "Recent Developments in Municipal Finance and Possible Future Directions." Toronto, 26 April 2004.

Slack, Enid, Enid Slack Consulting Inc. Presentation. Toronto, 26 April 2004.

Young, Eric. "The Story of Somewhere: A New Narrative for Community — Remarks by Eric Young Made at the National Conference of Community Leadership Organizations." Calgary, 24 October 2003.

VANCOUVER, 20-21 MAY 2004

Cities Secretariat, Privy Council Office. "Proposed Options for Fiscal Instruments." Preliminary Draft Discussion Paper. Ottawa, May 2004.

Donovan, Isobel, Executive Co-ordinator, Vancouver Agreement Coordination Unit, "The Vancouver Agreement: Innovative Approaches to Governing the Urban Future." Vancouver, 21 May 2004.

Laglagaron, Delia, Deputy Chief Administration Officer and Deputy Commissioner, Greater Vancouver Regional District. "Building a Sustainable Region: Greater Vancouver Regional District." Vancouver, 21 May 2004.

National Round Table on the Environment and the Economy. *Cleaning up the Past, Building the Future: A National Brownfield Redevelopment Strategy for Canada*. Ottawa, 2003.

Ross, Angus, Chairman, L & A Concepts. "Cleaning Up the Past, Building the Future: A National Brownfield Redevelopment Strategy for Canada." Vancouver, 21 May 2004.

Seymoar, Dr. Nola-Kate, President and Chief Executive Officer, International Centre for Sustainable Cities. " A Sustainable Urban System: The Long-Term Plan for Greater Vancouver." Vancouver, 21 May 2004.

MORELL, PRINCE EDWARD ISLAND, 19-20 JULY 2004

Broadhead, Dal, Doug Kane and John Reid. *Environmental Stewardship: An Approach for Building a Sustainable Rural Canada*. Ottawa: Rural Secretariat (Agriculture and Agri-Foods Canada) and Environment Canada, May 2004.

Burstein, Meyer. *Demographic Adaptation*. Ottawa: Rural Secretariat (Agriculture and Agri-Foods Canada) and Citizenship and Immigration Canada, April 2004.

Campbell, Stan and John Dewey, President and Executive Director, Association of Municipalities of Prince Edward Island. "Strengthening Municipalities to Enhance Quality of Life." Morell, P.E.I., 19 July 2004.

Carter, Susan. *Engaged Population and Institutions*. Ottawa: Rural Secretariat (Agriculture and Agri-Foods Canada), May 2004.

Colussi, Michelle, Dr. Alexander Lockhart and Mike Lewis. *Sustainable Livelihoods*. Ottawa: Rural Secretariat (Agriculture and Agri-Foods Canada) and Western Economic Diversification Canada, June 2004.

Grandy, Tom. *Smart Approaches to Infrastructure*. Ottawa: Rural Secretariat (Agriculture and Agri-Foods Canada) and Industry Canada, March 2004.

Mitchell, Donna. "A Sustainable and Viable Rural Canada." Morell, P.E.I., 19 July 2004.

Rural Secretariat (Agriculture and Agri-Foods Canada) and Statistics Canada. "Definitions of Rural." In *The Rural and Small Town Canada Analysis Bulletin*, III.3 (2001-2002).

Schultz, Grand Chief Ed. "Aboriginal Communities and Cities." Morell, P.E.I., 19 July 2004.

Statistics Canada. "One View of the Dimensions of 'Rurality'." In *Definitions of "Rural"*. Agriculture and Rural Working Papers ser., Working Paper no. 61. Ottawa, 2002.

CALGARY, 27-28 SEPTEMBER 2004

Immigration

Alboim, Naomi. *Fulfilling the Promise: Integrating Immigrant Skills into the Canadian Economy — A Ten Point Plan for Canada*. Ottawa: Caledon Institute of Social Policy for the Maytree Foundation, April 2002.

Broadbent, Alan. *How to Make Immigration Work Better: Countering the Defeatists*. Ottawa: Caledon Institute of Social Policy, February 2003.

D'Alessandro, Dominic, Chair, Toronto Region Immigrant Employment Council and President and CEO, Manulife Financial. "An Open Letter to the Prime Minister." Toronto, 2004.

Manitoba Department of Labour and Immigration. "Growing through Immigration: A Three Year Action Plan to Reach 10,000 Immigrants a Year." Winnipeg, 2004.

McIsaac, Elizabeth. *Nation Building through Cities: A New Deal for Immigrant Settlement in Canada.* Ottawa: Caledon Institute of Social Policy, February 2003.

The Role of the Non-profit and Charitable Sector in Community Sustainability

Calgary Chamber of Voluntary Organizations. "Executive Summary of Magnets and Glue." Calgary, September 2005.

Calgary Children's Initiative. Initiatives Backgrounder. Calgary, 2004.

Calgary Homeless Foundation. Initiatives Backgrounder. Calgary, 2004.

Cities Secretariat, Infrastructure Canada. "The Role of the Non-profit and Charitable Sector in Community Sustainability." Backgrounder. Ottawa, 2004.

Homefront. Initiatives Backgrounder. Calgary, 2004.

Statistics Canada. "Satellite Account of Non-profit Institutions and Volunteering." Catalogue no. 13-015-XIE. Ottawa, September 2004.

Winnipeg Aboriginal Sport and Recreation Association. Initiatives Backgrounder. Winnipeg, 2004.

Voluntary Sector Forum. "What is the Non-profit/Voluntary Sector and Why Should I Care?" Summary Document. Ottawa, March 2004.

Voluntary Sector Forum. "What is the Voluntary Sector Initiative?" Summary Document. Ottawa, March 2004.

Urban Aboriginals

Newhouse, David. "The Invisible Infrastructure: Urban Aboriginal Institutions and Organizations." In David Newhouse and Evelyn Peters, eds. *Not Strangers in These Parts: Urban Aboriginal Peoples*. Ottawa: Policy Research Initiative, 2003.

Newhouse, David and Evelyn Peters. "The Way Forward." In David Newhouse and Evelyn Peters, eds. *Not Strangers in These Parts: Urban Aboriginal Peoples*. Ottawa: Policy Research Initiative, 2003.

Richards, John and Adrian Vining. "Educational Outcomes of Aboriginal Students in British Columbia: The Impact of 'Good Schools' on Test Scores." In David Newhouse and Evelyn Peters, eds. *Not Strangers in These Parts: Urban Aboriginal Peoples*. Ottawa: Policy Research Initiative, 2003.

Sparklingeyes, Pam. Program Manager, Braided Journeys Aboriginal Learning Centre. Presentation. Calgary, 28 September 2004.

WINNIPEG, 8-9 NOVEMBER 2004

Bradford, Neil. *Creative Cities: Structured Policy Dialogue Report*. Canadian Policy Research Networks. August 2004. [Cited 31 May 2006.] <www.cprn.com/en/doc.cfm?doc=1081 >.

Bulick, Bill, Carol Colleta et al. *Cultural Development in Creative Communities*. Americans for the Arts Monograph, November 2003. [Cited 31 May 2006.] <www.coloarts.state.co.us/programs/economic/defining/creativeEconomyArticle/AmericansfortheartsMonograph.pdf>.

Cities Secretariat, Infrastructure Canada. "Setting the Context: Cultural Sustainability and Creative Cities and Communities." Ottawa, October 2004.

Epcor Centre for the Performing Arts. "Creativity Unbound: A New Vision for Cultural Policy in Canada." Calgary, Alberta. Paper prepared by participants at Mount Engadine. 5-7 July 2004.

Florida, Richard, "The Great Creative Class Debate: Revenge of the Squelchers," *The Next American City*, V (July 2004), 2-32; also available at <www.americancity.org/article.php?id_article=39>.

Florida, Richard. "Preface." *The Rise of the Creative Class*. Basic Books: New York. 2002.

Gertler, Meric, Richard Florida et al. "Competing on Creativity: Placing Ontario's Cities in North American Context." Report for the Ontario Ministry of Enterprise Opportunity and Innovation and the Institute for Competitiveness and Prosperity, November 2002; also available at <www.urban.org/UploadedPDF/410889_Competing_on_Creativity.pdf>.

Memphis Manifesto Summit. "Memphis Manifesto: Building a Community of Ideas." 2003. [Cited 31 May 2006.] <www.creativeclass.org/acrobat/manifesto.pdf>.

Statistics Canada. "Census Metropolitan Areas as Culture Clusters." In *The Daily*, 22 October 2004.

QUÉBEC CITY, 4-5 FEBRUARY 2005

Environmental Sustainability

Boston, Alex, Climate Action Network Canada. "Crisis to Opportunity: Cities, Communities and Climate Protection." Quebec, 3 February 2005.

Breton, Mimi, Regional Executive Director, Quebec, Environment Canada. Presentation. Quebec, 3 February 2005.

Condon, Patrick, ASLA Professor, University of British Columbia, Landscape and Liveable. "The Neighbourhood Is to the Country What the Cell Is to the Body." Quebec, 3 February 2005.

City of Surrey, British Columbia, Planning and Development *Department. Development Plan for East Clayton*. November 1999 and February 2000.

David Suzuki Foundation. "Planning for the Next Generation: Ten Principles for Climate Protection and Innovation." 2003. [Cited 31 May 2006.] <www.davidsuzuki.org/Publications/Climate_Change_Reports/default.asp>.

Federation of Canadian Municipalities. "Green Municipal Funds: Applicant's Guide." Ottawa: Federation of Canadian Municipalities , 2005.

Fraser Basin Council. "2004 State of the Fraser Basin Report: Sustainability Snapshot 2." 2004. [Cited 31 May 2006.] <www.fraserbasin.bc.ca/publications/ 2004-Snapshot2.pdf>.

Poirier, André and Robert Perreault. "Brief Submitted to the Quebec Parliamentary Committee on Implementation of the Kyoto Protocol." Montreal: Conseil regional de l'environnement de Montreal, February 2003.

Ribaux, Sidney, Equiterre. "Funding Ecological Transportation: Canada's Role." Quebec, 3 February 2005.

O'Reilly, Hugh, Mayor of Whistler, British Columbia. "Whistler: A Journey to Sustainability." Quebec, 3 February 2005.

Tomalty, Ray. "Urban Form and the Environment." Report prepared for the External Advisory Committee on Cities and Communities. Quebec, 2005.

REGINA, 7-8 MARCH 2005

Christiansen, John and Anne Parker, Mayor's Task Force on Regina's Future. Presentation. Regina, 7 March 2005.

Filion, Pierre and Trudi Bunting. "Distinctions between Middle-size and Large Cities: Growth Level, Urban Form and Transportation." *Plan Canada*, Autumn 2004.

Filion, Pierre and H. Hoernig. "Downtown Past, Downtown Present, Downtown Yet to Come: Decline and Revival in Middle-Size Urban Areas." *Plan Canada*, XLIII.1 (2003).

Grant, Jill, *Plan Canada*. "Is Urban Revitalization Good for Cities? Plan Canada XLIII.3 (2003).

Labatt, John and Dave Hedlund, Regina Intersectoral Committee. Presentation. Regina, 7 March 2005.

McKellar, James. "The Old Versus the New." *Plan Canada*, Summer 2004.

Miller, Judith. "Arts in the Mid-Sized City." *Plan Canada*, Autumn 2003.

Nixon, Donna, The Strategic Counsel. "Canadians' Views on Community Life: A National Overview": Reporting on a national poll. Presentation to the External Advisory on Cities and Communities. Regina, Saskatchewan: 2005.

Schellenberg, Grant, Statistics Canada. "Trends and Conditions in Mid-Sized Canadian Cities." Regina, 7 March 2005.

Seasons, Mark. "Canada's Mid-Sized Cities: Sustainability Challenges and Opportunities." Regina, 7 March 2005.

Seasons, Mark. "Is Urban Revitalization Good for Cities? Yes, if Properly Planned." *Plan*, Spring 2003.

Thomlinson, William, Canadian Light Source Inc. Presentation. Regina, 7 March 2005.

OTTAWA, 18-19 APRIL 2005

Best, Robert, Association of Universities and Colleges of Canada. Presentation. Ottawa, 18 April 2005.

Forgues, Rhonda, SEED Winnipeg. "Building Sustainable Cities and Community Economic Development." Ottawa, 19 April 2005.

Gertler, Meric, University of Toronto. "The Economic Vitality of Cities and Communities." Ottawa, 18 April 2005.

Hebb, Tessa, Carleton University. "Economic Sustainability: Capital Retention Strategies." Ottawa, 18 April 2005.

Heisz, Andrew, Statistics Canada. "Labour Markets, Business Conditions, and Population Growth and Mobility in CMAs." Ottawa, 19 April 2005.

Logue, John, President, Ohio Employee Ownership Centre. "Employee Ownership and Economic Sustainability: Competitiveness, Inclusion, and Wealth Creation." Ottawa, 19 April 2005.

MacLennan, Duncan. Presentation. Ottawa,18 April 2005.

Milway, James, Institute for Competitiveness and Prosperity. Presentation. Ottawa, 18 April 2005.

Peters, Gordon, President and CEO, Cando Contracting. Presentation. Ottawa, 19 April 2005.

Phillipson, Elliot, Canada Foundation for Innovation. Presentation. Ottawa, 18 April 2005.

Robson-Haddow, Jennifer, Social and Enterprise Development Innovation. "Asset-Building Creating Opportunities for Canada's Low-Income Population." Ottawa, 19 April 2005.

Torjman, Sherri, Caledon Institute. "Economic Sustainability." Ottawa, 19 April 2005.

Turner, Stephanie, Enterprise Greater Moncton. Presentation. Ottawa, 18 April 2005.

OTTAWA, 21-23 SEPTEMBER 2005

Round Table on Planning for Sustainable Canadian Communities

Alberta Urban Municipalities Association. *President's Summit on Community Sustainability — Final Report.* Edmonton, 17 August 2005.

Bader, Dan, Deputy Minister, Municipal Affairs, Government of Alberta. Presentation. Ottawa, 22 September 2005.

Graham, Brad, Assistant Deputy Minister, Ontario Growth Secretariat, Government of Ontario. "Places to Grow: Better Choices, Brighter Future: Planning for Growth in Ontario." Ottawa, 22 September 2005.

Lachance, Colin, Natural Law Advisor, Wikwemikong Unceded Indian Reserve, Gatineau, Quebec. "A Natural Law Based Approach To Sustainable Community Planning." Ottawa, 23 September 2005.

Laglagaron, Delia. Deputy Chief Administrative Officer, Greater Vancouver Regional District, British Columbia. "Sustainable Region Initiative Implementation Challenges." Ottawa, 23 September 2005.

Litke, Steven, Program Manager, Fraser Basin Council, Vancouver, British Columbia. "Sustainability Indicators and Reporting: The Fraser Basin Council Model." Ottawa, 23 September 2005.

Makuc, Bogdan, Senior Analyst, Cities and Communities Branch, Infrastructure Canada. "Integrated Community Sustainability Planning." Ottawa, 22 September 2005.

McAfee, Ann, Co-Director of Planning, Planning Department, Vancouver, British Columbia. "Developing and Implementing Sustainable Plans: City of Vancouver." Ottawa, 22 September 2005.

McFadyen, Lynda, Assistant Deputy Minister, Intergovernmental Affairs and Trade, Manitoba. "Integrated Community Sustainability Plans in Manitoba." Ottawa, 22 September 2005.

McFarlane, Norman and Stuart Baker. Presentation. Ottawa, 23 September 2005.

Osborne, Alan, Executive Director, Intergovernmental Relations and Planning, British Columbia. "Integrated Community Sustainability Planning In British Columbia." Ottawa, 22 September 2005.

Robichaud, Stephen, Manager, Growth Related Integrated Development Strategy, Hamilton, Ontario. Presentation. Ottawa, 23 September 2005.

Robson, Patrick, Director, Community Integration, Regional Municipality of Niagara, Ontario. "Challenges to Implementing Integrated Sustainability." Ottawa, 23 September 2005.

Seymoar, Nola-Kate. President and CEO, International Centre for Sustainable Cities. Presentation. Ottawa, 22 September 2005.

Walker, Russell, Councillor, Halifax Regional Municipality, Nova Scotia. "Regional Plan: Healthy Growth for HRM." Ottawa, 22 September 2005.

Vance, Michael, General Manager of Community Initiatives, Resort Municipality of Whistler, British Columbia. "Whistler 2020: Moving Toward A Sustainable Future." Ottawa, 22 September 2005.

TORONTO, 2-4 NOVEMBER 2005

Palmer, Robert. "Advancing Canada's Creativity." Report prepared for the External Advisory Committee on Cities and Communities. March 2006.

Reed, Greg. "Keeping Canada Distinct." *The Toronto Star*, 13 August 2004. A21.

HALIFAX, 27-29 NOVEMBER 2005

Broadbent, Alan, Paul Bedford, John Cartwright et al. Towards a New City of Toronto Act. Zephyr Press, 2005.

Cappe, Marni. *Early Warning: Will Canadian Cities Compete: A Comparative Overview of Municipal Government in Canada, the United States and Europe*. Ottawa: Federation of Canadian Municipalities for the National Round Table on the Environment and the Economy, May 2001.

Florida, Richard. "The World in Numbers: the World is Spiky." *Atlantic Monthly*. October 2005.

Joint Ontario-City of Toronto Task Force to Review the City of Toronto Acts and other Private (Special) Legislation. *Final Staff Report: Building a 21st Century City*. Toronto, November 2005.

MONTREAL, 11-13 JANUARY 2006

Canadian Centre for Philanthropy and Statistics Canada. *Enabling and Enhancing the Work of the Voluntary Sector in Canadian Communities: Submission to the Senate Standing Committee on Banking, Trade and Commerce*. Ottawa, 1 December 2004.

GATINEAU, QUEBEC, 16-17 FEBRUARY 2006

Intervistas. *Gateway Cities in Canada*. Report prepared for the External Advisory Committee on Cities and Communities. 1 February 2006.

Slack, Enid, Larry Bourne and Heath Priston. *Large Cities Under Stress: Challenges and Opportunities*. Ottawa: External Advisory Committee on Cities and Communities. February 2006.

Notes

Notes

Notes