Introduction: Setting the Context

Cities, especially large metropolitan areas, sit at the intersection of transitions in the economy, demography and social order, as well as in culture, technology, and politics. They are, in effect, the local venues where most innovations occur and where the impacts of external forces are most prominently expressed. They are the arenas in which economic linkages and social networks are constructed and deconstructed, and where conflicts that invariably occur within and between these forces of change are worked out.

Historically, cities have always played this role. What is different now is the massive scale and complexity of metropolitan regions, the rapidity of change, the level of uncertainty attributable to the globalization of markets and cultures, and the large number of actors, agents and institutions involved in the urban development process. How does society “manage” such complex entities? What kinds of organizations, institutions, strategies and policy instruments are most appropriate? What delimitation of a metropolitan region is most suitable for management and planning?

This paper contributes to the ongoing debate on these questions. The objective is to highlight both the successes and opportunities lost in Toronto’s post-war experiment and to extract from that experience general lessons that might have relevance elsewhere. The paper concludes with a brief discussion of the challenges facing policy-makers in the Toronto region as we enter the new century.

In this paper the term Toronto refers to the entire metropolitan region, not any local municipality. As of the 1996 Census, the population of the Greater Toronto Area was over 4.6 million, spread over an area of 7,100 sq. kms, with roughly equal numbers in the amalgamated City and the four suburban regions. It is this region, not its individual parts, which is the subject of interest here, and in light of the recent and massive overhaul of local governments and regulatory agencies, the question is: who is now managing, designing and planning the Toronto region?

A Simple Policy Framework

Neither policies nor the specific instruments of planning emerge in a vacuum. They are, in large part, place-specific and historically-contingent. There are, however, some universal concepts and principles in regulating urban development that can be extracted from the Toronto experience.

There are at least two pre-conditions for effective management and public policy formulation. One is the knowledge base - that is, an understanding of the nature
and trajectory of the system that we intend to manage, in this case understanding the urban development process writ large. It is as important to recognize what we do not know about cities, as it is to identify what we do know. The second is an awareness of what forces or elements of the urban process we can actually influence or manipulate - these become the policy variables or instruments - in contrast to those forces over which we have little influence or control - these become exogenous variables.

In terms of urban policy, the former might include land use control by-laws and zoning; the latter includes macro-economic conditions, demographic change, technological innovations and societal preferences, deriving from both national and international forces. The key for public policy is to use the policy variables in such a way as to achieve stated public goals, while minimizing the negative side-effects of those policies, while at the same time recognizing, adapting to, and then accommodating, changes in the exogenous variables. As the process of globalization continues the relative importance of exogenous forces also increases, thereby increasing the degree of uncertainty in policy formulation.

It is also important to note that the management and regulation of urban development is considerably broader than the specific instruments of planning and urban policy formulation. In general, the latter represent the direct instruments of regulation, direct in the sense that they manipulate - these become the policy variables or instruments - in contrast to those forces over which we have little influence or control - these become exogenous variables.

There are other means of regulation and other kinds of policies that have immense and often unintended impacts on the shape of urban development. These include, for example, shifts in national housing policies, taxation rates, social assistance policies, international trade practices and immigration policies. Our cities, and particularly Toronto, mirror the effects of these policies as much as they do explicit attempts to shape the development process through planning. Nevertheless, local regulatory frameworks remain important precisely because they are the responsibility of local and provincial governments. In Canada, the key element in the past has been the strong role and interventionist style of the provincial governments. It is worth re-iterating that the provincial governments, not the federal government, essentially have complete control over local governments within their jurisdictions.

**The Dynamics of Urban Development**

One element of the knowledge base required to design alternative urban futures, and specifically to establish more effective systems of governance, management and service provision, is an appreciation of the scale and rapidity of change in the contemporary metropolis. For example, in a period of only four decades the greater Toronto region grew almost four-fold in population, from just over one million to nearly 4.7 million in 1996. The number of jobs increased from 400,000 to over 2.1 million, with the latter distributed among 80,000 workplaces. The social structure has also changed almost beyond recognition. The number of households has increased at a rate 50 percent higher than the population. In the central core over 40 percent of households now have only one-person. In addition, over 47 percent of the population is now foreign-born; over 200 different linguistic and ethnic groups are represented in the schools. No one forty years ago could have anticipated this kind or scale of social transformation. The challenge of responding to this scale of growth is immense. At the same time, the physical extent of the urbanized area increased by 7 to 8 times as incomes increased and individuals and firms consumed an increasing amount of space per capita.

The lesson for urban managers is two-fold: first, is the need to plan for uncertainty, and the requirement for effective information systems to monitor trends in urban development and social change. A small shift in urban living conditions or in the underlying determinants of spatial change can lead to very large population shifts.

Second, policy-makers must be cognizant of the fact that policies directed to particular individuals and population groups may not in fact benefit those individuals. Policies take considerable time to design and even longer to implement; but the target populations do not stay put. There is clearly a time lag involved.

Far too often policies are introduced for problems that have largely passed, or at least changed their shape. One reason that many of Toronto’s grand planning proposals of the past have not been implemented, or if implemented have often not had the expected results, is that they frequently dealt with yesterday’s problems. One plausible explanation for the myriad of often contradictory changes introduced by the latest provincial government is that previous administrations, both provincial and local, had not been able to modify and adapt the system of regulation and governance for decades.

**Three Cities: Three Worlds?**

The outcome of Toronto’s historical pattern of development and regulation (or the lack thereof) is the creation of three different urban landscapes - three different worlds - that together comprise the contemporary built form and social landscape of the Toronto region.
First is the inner city, especially the pre-1930 landscape, characterized by relatively high densities, mixed uses, retail strips, and high levels of transit dependence. This area corresponds roughly to the old City of Toronto and its adjacent pre-war suburbs, and has a current population of about 900,000. That population is also the most polarized in the region, accommodating many of the region’s elite and professional classes, together with a large proportion of its poorest citizens.

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The second world consists of the ring of immediate post-war suburbs, built largely in the 1950s and 1960s, and characterized by lower densities, single-family bungalows, and a mix of transit and expressway access, sprinkled with high-rise housing (including social housing), shopping centres and older - often decaying - industrial parks. The ring corresponds to the older suburbs within the former Metro Toronto, but now includes parts of a few older suburbs outside Metro’s boundaries. That area currently has a population of about 1.6 million, and it has in the 1990s become at least as socially diverse as the old central city, and the home of an increasing proportion of the disadvantaged. The mounting problems of these older suburbs, notably poverty and the absence of services appropriate to an increasingly diverse and needy population, are not new; they were noted twenty-five years ago by the Metro Social Planning Council and have recently been re-emphasized by a report from the United Way on communities “at risk”.

The third world is the ring of post-1970 suburbs located largely outside the old Metro boundaries. This massive envelope of suburbanization is characterized by much lower densities, especially for commercial and industrial uses, large homogeneous blocks of related activities, massive “designer” subdivisions, upscale shopping complexes and new industrial and office nucleations, all oriented around and dependent on an extensive expressway system. That ring (called the 905-zone because of its telephone area code) now encompasses more than two-thirds of the urbanized area of the GTA and accommodates over 80% of its new population growth; its current population is about 2.4 million. This is, in effect, a post-modern landscape, an eclectic mix of uses, functions and building styles, both neo-traditional and modernist, mostly in big-box style. Although increasingly diverse in social and ethnic terms, largely through immigration, the third Toronto is becoming richer relative to the older suburbs, and its four regional governments increasingly see themselves as autonomous jurisdictions, not exactly as edge cities, but close, and increasingly removed from the old city and suburbs of Toronto and their social problems.

There are then three different Torontos; three urban forms and living environments that mirror the conditions, policies and attitudes prevailing at the time of their construction. Unfortunately there are few common denominators between the three rings. For those who view the older inner city and its adjacent suburbs as a “success” story - because of their compact forms, higher densities, pedestrian access, transit-orientation and the initial experiment in metropolitan government that shared resources and redistributed costs and benefits - the outer ring of suburbia is a social and planning disaster, another set of opportunities lost. Transit is poor, streets are for cars not pedestrians, distances are vast, social services are strained by rapid growth, and there is little co-ordination at the macro-scale between residential development and jobs, transit or public services among the four suburban regions or between those regions and the former Metro. Instead of co-operation there is intensified competition; instead of a seamless transit system (with the exception of GO Transit) there is fragmentation (with 12 suburban transit systems outside of the former Metro).

To those living in the outer ring, on the other hand, the new suburbs are a success story. To many of those residents the older city is seen as congested, polluted, unsafe and often ugly. The new suburbs, in contrast, provide a relatively high quality stock of housing and well-designed neighbourhoods and community facilities, they have a rapidly expanding employment base and offer ease of access to jobs, shopping and recreation, at least for those with automobiles. Except for a few high-rise condos and offices, and the odd GO commuter train, however, these regions look more like the suburbs almost anywhere in North America, and less like the inner two rings. This partitioning of urban space is both an outcome of past structures of governance, and a constraint on the emergence of any new structures.
Some Lessons from the Toronto Experience

What can we learn from the Toronto experience in terms of governance and the management and regulation of change in metropolitan environments? It is, of course, far too early to evaluate the consequences of the numerous legislative and policy changes of the last few years. The system is still in flux. We can, however, offer a few general comments on the evolution of urban governance and management in the Toronto region, and then offer a summary of more specific lessons learned.

Among those lessons is the recognition that the particular configuration of government, institutions and regulatory agencies is less important than the process through which decisions are made. Moreover, it is often the case that the formal mechanisms of regulation and management are less important than the informal and implicit. It is also clear that plans, and planning proposals, are important even if not implemented. They often serve as informal guides for development and the continuing exercise of plan formulation and consultation contributes to our understanding of how a metropolitan region grows and changes. Based on the Toronto experience, two particular pre-requisites for effective metropolitan management stand out: that urban areas require pro-active, involved governments at higher levels; and second, that there must be some mechanism in place for redistributing the costs and benefits of urban growth over the region that actually generates that growth.

Toronto, despite its current problems, has indeed done reasonably well, at least relative to comparable metropolitan areas in other parts of North America. Success, however, depends at least as much on context and circumstance, and on what is not done, as what is done. Unlike many of its immediate American neighbours, Toronto has not had a massive post-war influx of low-income, poorly skilled rural migrants. Immigrants, in contrast, the driving force in Toronto’s population growth, have tended to be relatively highly skilled. Neither does Toronto, unlike nearby U.S. metropolitan areas such as Pittsburgh, Cleveland or Detroit, have a legacy of outmoded heavy industry. Nor has Canada seen income inequalities increase during the 1970s and 1980s as in the U.S. Extensive systems of transfer payments to individuals and governments, and higher overall tax rates in Canada, have restrained income differentials attributable to the operation of the labour market, at least until the 1990’s. Nor were Canadian cities subjected to the equivalent of the U.S. interstate highway and urban renewal programs which removed thousands of older low-rent dwellings in the inner cities, while increasing accessibility for those who drive in from the suburbs.

To summarize, below I suggest a number of the lessons that derive, directly or indirectly, from the above review.

1. The elements of the urban milieu that are the slowest to adapt to changing conditions are the structure of governance and the supporting network of institutions.

2. There is no single model of planning, regulation or service delivery that necessarily works everywhere. Similar structures of governance, regulatory institutions and policy instruments can produce quite different results on the ground.

3. The single most important component in designing a regulatory system is an improved understanding of the processes of change - both market and public decision processes - that are shaping the region. Far too often policies are devised and implemented as if the problems, and the populations and activities involved, were static in time and space.

4. In the typically fragmented metropolis of today, the basic strategic requirement is for “region-wide” co-ordination of metropolitan development and management. This co-ordination, involving all relevant levels of government - local, regional, provincial - may or may not involve the establishment of formal regional governments. Whatever their form, however, the regulatory institutions must have exclusive powers, veto rights, and access to a funding base. They must also be open and accountable to the electorate.

5. The key element in region-wide co-ordination, and in maintaining uniform service facilities across the metropolitan area, is the sharing of the costs and benefits of urban growth and change. This is usually expressed as the ability of regional authorities (or senior levels of government) to redistribute revenues from richer to poorer jurisdictions (e.g. through fiscal transfers or direct service provision).

6. As a precursor to more effective co-ordination in metropolitan regions there is a clear need to develop a stronger “sense-of-urban-region”, a regional consciousness and feeling of co-operative citizenship that transcends local self-interests and attachments to place.

7. In a politically fragmented environment, local governments, left on their own, are unlikely to enter into
co-operative agreements that impose redistributive taxes on their own residents, especially for social and welfare needs arising elsewhere in the region.

8. Even with a structure in place for improved regional co-ordination, effective implementation requires the active participation of senior governments. Neither local nor regional governments have the powers or resources to manage metropolitan regions on their own.

9. Uncertainty with respect to rates of change in the economies, technologies and social structures of the modern metropolis, also suggests the need for “flexibility” in both management strategies and the instruments of regulation, but set within a context of known “rules” of development.

10. Within any format proposed for regional co-ordination, there must be improved co-operation between those institutions, agencies and other stakeholders involved in the development process. Obvious examples include the need to link land use planning and transportation, housing and finance, social services and housing provision.

11. There is also a need to encourage diversity in terms of housing and employment locations and development options, and thus in the choices presented to both producers and consumers.

12. Urban management is itself a learning process, and thus the system must be able to evolve as conditions and policy issues change.

13. Even if we accept the importance of improved competitiveness as a reasonable objective of public policy at the scale of individual metropolitan areas, a balanced economic development strategy must also incorporate the maintenance and upgrading of social overhead capital (e.g. universities, research institutions, cultural facilities, etc.).

None of these lessons learned, of course, is entirely new or original.

Conclusions

Toronto continues to provide a relatively high quality of life for most of its citizens. It has been, on balance, a competently administered urban region, despite its current fragmentation, that delivers a high level of services and employment opportunities. Moreover, it has often served as a textbook example of effective management. To many observers Toronto illustrates how the presence of a metropolitan government, a uni-

Continued success is not guaranteed. Serious challenges remain. The provincial government, the key player in our brief history, appears to have retreated from its previous commitment to play an activist role in the way that cities and regions develop. In particular, the province lost the window of opportunity that existed in the 1960s and 1970s to design a more integrated and compact urban form for the new suburbs that might have been more efficient; that might have replicated some of the advantages now seen - through the benefit of hindsight - in the older urban landscape. It also lost the opportunity to build on the initial successes of the original metropolitan experiment at several points in the last two decades and most recently through the work of the GTA Task Force and the GTSB review. It could have created, admittedly on a playing field that is now much larger and more complex, a new regional authority for managing the region that would have power, legitimacy and public support. The absence of such an authority, suggests that the chances for improved co-ordination of development - within and between land uses, transportation, housing, services and finance - over the entire GTA, are much reduced, unless the functions are exercised by the provincial government itself. The absence of a new version or vision of Metro also makes it more difficult to ensure an equitable distribution of the benefits and costs of development over the entire urban region. This was one of the hallmarks of the earlier Metro experiment.

Whether the new decentralized and fragmented organization of government and service delivery in Toronto is up to the challenges posed above remains to be seen. What is clear is that the current governmental structure - a single-tier city government surrounded by four two-tier regional governments - is not stable. It is thus transitional, but transitional to what is uncertain. At the same time, it is unclear whether the recently re-drawn and down-sized planning and regulatory frameworks will be able to contribute significantly to the
challenge of redesigning both suburban and inner city landscapes. Although it would now be politically infeasible to return to the rather rigid regulation processes of past planning eras, neither is further de-regulation of urban development a sensible solution. The problem is one of finding the right balance.

There is now considerable evidence to suggest that the relative attractiveness of cities, as places to live and work, and as environments conducive to innovation and investment, depends not primarily on the minimization of costs and regulations, but on enhancing the quality of urban management in general and social overhead capital in particular. Toronto fits this model - relatively high costs but with high quality services. Given the extent of recent changes in governance in the Toronto region, however, it is uncertain whether this situation will continue and who will be making the decisions. The answer then to the question posed initially - who is managing and designing the Toronto region? - is still to be determined.