New Urban Divides

How economic, social, and demographic trends are creating new sources of urban difference in Canada

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1. Cities as the architects of change

Cities, or city-regions, are widely viewed as the primary engines of economic growth, social well-being, global competitiveness, and uneven development. They are also the centres of creativity, the milieu for technical innovation, the locus for community-based political movements, and the primary location of social transformations, political tensions, and cultural change.

Recent urbanization processes have been dramatically transformed by factors both external and internal to the urban system: increased globalization and economic competition; the realignment of trade and capital flows; demographic transitions, characterized by declining fertility levels and increased immigration; fluctuations in commodity prices; technological innovations; a reduction in the costs of transportation and social interaction; and a continuing redefinition of government policies and trade agreements.

In the nation-states of the industrial world, cities have become not only the venue for change, but also the architects of change. Cities now define the nation rather than the nation defining its cities. Canada is no exception. Indeed, Canada may represent a special case of the impacts of the new calculus of urbanization under global capitalism, and one in which the country’s continental geography and history play a pivotal role.

Canada became an urbanized nation by 1921, a predominantly metropolitan nation by 1941, and a suburban nation by 1981. At present, more than 80 percent of Canadians live in urban areas, occupying a mere 5 percent of the nation’s vast land surface, and over 57 percent live in the five largest urban regions. Fewer than 8 percent work in agriculture and the resource industries, although these sectors remain significant contributors to national wealth. As an emerging nation-state, Canada shaped the growth and character of its cities, but today, cities are redefining and reshaping Canada.

What are the implications of these trends? Research suggests that they are creating new forms of difference or new divides among cities and regions, in economic, social, and political terms, and at different spatial scales. The question we need to ask is: can the negative outcomes of these new divides be systematically addressed, and the positive features of change and difference enhanced?

2. Defining urban divides

In using the word divides, my purpose is not to suggest impending crises, but rather to argue that industrial countries in general, and Canada in particular, are being reorganized and transformed in fundamental and irreversible ways by changes in their cities and the urban system. This ongoing reorganization is creating new
sources of difference that will inevitably alter the character of the nation, its economic system and social dynamics, and its political behaviour and viability as a territorial entity.

The common image of North America is a continent divided by the U.S.-Canada border. Traditionally, the Canadian economy and social system have been structured along an east-west arc parallel to the border, administered by a national government and a set of provincial and territorial governments, and organized into regional economies through a hierarchy of urban places. In the past, most urban settlements were relatively small, but this has changed. Although the federal government continues to set macroeconomic goals, define social practices, negotiate trade agreements, and serve as “gatekeeper” — with respect to external forces of change, such as capital investment, cultural diffusion, trade flows, labour movements, and immigration — recent trends in urbanization have redefined the importance of these roles.

Until recently, differences between urban areas in Canada were the result of four main factors:
• their location within the industrial heartland or the resource-based hinterland;
• the parallel but distinct evolution of French- and English-language communities;
• the differing cultures, lifestyles, and economies of urban vs. rural and resource-based communities;
• differences between big cities and smaller cities and towns.

These longstanding divides, however, are being replaced by new sources of difference, particularly reflecting the contrasts between:
• places that are participating in the so-called new economy and transborder trade linkages and those that are not;
• places with diverse, service-based economies and those with highly specialized economies;
• places that are benefiting from the demographic transition and those that are losing;
• places that receive new immigration flows and those that do not.

Most of these changes are urban-based, and increasingly metropolitan-area-based. It is in metropolitan settings that both national trends and globalization forces, including greater continental economic integration and immigration, intersect with local conditions. But in Canada, the geographical setting and the spatial scales involved are distinctive. The basic characteristics that set Canada apart include:
• its vast size (9.5 million sq. km);
• its relatively small population (32 million in 2006);
• its dispersed settlement pattern, extending over 8,000 km from east to west;
• its historical cultural duality;
• its intense regional economic specialization;
• the presence of a large resource frontier, and dependence on the export of “staple” products;
• a marked core-periphery character;
• a decentralized federal political structure;
• a relative openness to foreign influence;
• its proximity to and dependence on the world’s largest market to the south.

These characteristics have shaped both the inherited character and the responses of cities in urban Canada to recent global and national trends.

3. The urban system

The Canadian urban system consists of all urban centres with populations over 10,000. These communities are defined by Statistics Canada not as political municipalities but as functional regions. The latter include the traditional definitions of census metropolitan areas (CMAs), those with populations over 100,000, and smaller census agglomerations (CAs) with populations between 10,000 and 100,000. These areas consist of an urbanized core (usually a central city) and surrounding suburban municipalities that are closely linked to the urbanized core through commuting and other forms of interaction.

At the time of the 2001 Census there were 139 such places in Canada: 27 CMAs and 112 CAs, housing 23.8 million people or 79.4 percent of the national population. The largest CMA is Toronto, with more than 4.6 million people; the smallest CA has about 10,000 people. During the census period 1996 to 2001, growth rates varied among CMAs from 15.8% for Calgary, Alberta, to −6.0% for Sudbury, Ontario; the variation was even more extreme among CAs, from 25.1% for Barrie, Ontario, to −12.1% for Prince Rupert, B.C., and −12.0% for Elliot Lake, Ontario. The factors determining these figures also vary; no single model of urban growth or decline applies everywhere.
4. Economic and demographic trends

Urban Canada, at all spatial scales, is being transformed through the intersection of changes taking place in the economy, trade patterns, technology, the demographic structure and immigration, as well as through changes in public policy. Each of these sectors or spheres also has its own growth dynamic, its own set of linkages, and its own spatial logic, but all are interrelated. Their outcomes and consequences, however, are highly uneven across the country and through the social order. This geographical unevenness adds to the challenges of adjusting to change.

In addition to unevenness, the following specific elements define the new context for urban growth and change:

1. Urban economic and population growth in Canada is increasingly driven by events and decisions originating outside the country and beyond the regulatory scope of the national government. National boundaries and policies still matter, but for a modified set of functions.

2. Economic and corporate restructuring has led to both a convergence in the structure of regional economies, and a sharp divergence in differences in the specific locations of the export sectors and high-order service functions, and thus in urban growth rates.

3. Flows of commodities and capital are shifting from their traditionally dominant east-west orientation between provinces, to a north-south orientation to international markets, and specifically to the U.S. This shift is especially evident in industrial southern Ontario and the energy-based growth of Calgary and Edmonton.

4. National population growth, and metropolitan growth in particular, are increasingly a function of immigration, rather than natural increase or domestic migration. Rates of natural population increase (fertility levels) have declined, while immigration levels have increased to between 200,000 and 250,000 annually since the early 1990s. In the last Census period, over 50 percent of national population growth in Canada, and over 70 percent of the growth of the labour force, were attributable to immigration.

5. Flows of immigrants are also highly concentrated geographically. Immigrants represent nearly 100 percent of recent population growth in the Montreal CMA, over 75 percent in Toronto, and over 50 percent in Vancouver, while many smaller cities, especially those in peripheral regions, have attracted few, if any, immigrants.

6. The origins of immigration flows have also shifted dramatically. Over the last two decades, about 80 percent of immigrants have come from Asia, Africa, Latin America and the Caribbean. Before the 1970s, over 80 percent came from Europe and other parts of North America.

7. Domestic (or internal) migration has remained relatively stable in absolute numbers and declined in relative terms as a contributor to the redistribution of the Canadian population and labour force. Unlike most immigrants, domestic migrants tend to favour medium-sized metropolitan areas and smaller cities located outside but close to large metropolitan areas. A few small towns with high amenity levels have grown, often as retirement or recreational communities, but few of these are in the country’s periphery.

8. The combination of low and declining rates of natural increase with differential rates of migration and new sources of immigration has resulted in not only an aging society, but one with marked differences in the age structures, social composition, demographic potential and service needs among individual cities and regions.

5. The uneven impacts of structural transformations

Change is uneven in the country’s urban system, and the growth rates and characteristics of its member cities also vary widely. For example:

1. Economic restructuring and the shift to service-sector and high-tech industries and new export markets have tended to favour larger metropolitan areas, especially in Ontario and the west, at the expense of small towns and cities, especially those in eastern Canada.

2. Metropolitan growth has exceeded that of small cities and towns for most of the last four decades. Indeed, the average growth rate of all non-urban communities in Canada was negative in the 1996–2001 census period. Urban growth rates tend to be lower in communities that are farther from metropolitan areas.

3. The redirection of trade flows from domestic to external markets may produce further specialization of regional economies and a greater fragmentation of the national urban system. Today’s trade flows and other external linkages often tie the fortunes of individual Canadian cities and regions more closely to the economies of adjacent U.S. regions. Many export-based cities are the same ones favoured by domestic industries and firms in the service sector.

4. The process of metropolitan concentration has continued, largely, but not entirely, because of the concentration of foreign investments, high-order services, and immigrant settlement.
(5) The technological revolution in electronic communications has not altered the process of concentration. Rather than dispersing growth more widely across the national landscape, IT and e-commerce have further concentrated growth in large metropolitan centres. Face-to-face communication is still crucial, as is the quality of life in those places in which social interaction and innovation take place.

(6) The contrast between rapid urban growth in certain locations and stagnation or decline in other regions has become more visible. During the most recent Census period (1996–2001), the “winners” have been principally places with mixed economies, those linked to international markets, those serving as destinations for immigrants, those with energy resources, those receiving overspill populations from adjacent metropolitan areas, and those with strong public sector and service-based economies. Most of these places are in southern Ontario, British Columbia, and Alberta.

(7) The decline in relative prices for natural resources (except for energy resources) has undermined the economic base of many older resource-based communities, leading to widespread employment losses and population decline in Canada’s rural and northern communities. Between 1996 and 2001, more than a third of all urban settlements in Canada registered an absolute population decline.

(8) The increased flows of immigrants since the early 1990s, combined with changes in the countries of origin of those immigrants, have transformed the social, ethnocultural and racial character of the receiving cities and regions. Immigrant “gateway” cities differ markedly from cities in the rest of the country, many of which remain more homogenous in social and ethnocultural terms.

(9) At the metropolitan scale, the widespread decentralization of housing, firms and employment has produced geographically extensive urban regions. The Greater Toronto Area, which includes the Hamilton, Niagara and Oshawa metropolitan areas, has over 6.5 million people, and covers 7,200 sq. km. Within this urbanized envelope, overall population densities have decreased, but local densities have increased.

(10) At the national level, five large urbanizing regions – the region centred on Toronto, the Montreal region, Vancouver-Victoria, the Edmonton-Calgary corridor, and Ottawa-Gatineau – accommodated more than 16.1 million people in 2001, or 53 percent of the country’s population.

6. New urban realities

These trends are not entirely new in Canada. Most are extensions of long-term trends, although the rate of change has accelerated in the last decade. They are also similar to changes taking place in other advanced industrial economies, but in a different context.

Researchers must examine all these trends in combination and identify their interactions in space and time. Overwhelmingly, it is in cities that these intersections are most pronounced and visible. But where these trends will lead is still open to debate.

The concentration of productive capacity, innovation and population growth in the largest metropolitan areas, and notably in the five largest urban regions, suggests a different future for the northern half of the continent from that outlined by policy-makers only a few decades ago. At the national level, increasing economic integration with the U.S. economy raises important questions for public policy and national autonomy. The challenge of reducing regional inequalities in income and employment opportunities, while at the same time maintaining standards of living at or above current levels, will become even more difficult than in the past.

The growth of the new economy, in an increasingly competitive global market-place, raises the stakes for regions linked to that economy. Open economies are vulnerable to external economic shocks. At the same time, cities and regions that are not closely linked to the global economy face increasing difficulties maintaining services and an adequate quality of life for their aging workforces and declining populations. How do we plan for urban and regional decline and negotiate the downsizing of communities in an equitable and efficient fashion?

Do the outcomes of these economic and demographic trends represent a new set of national divides – social, economic, and political – or do they simply reinforce traditional core-periphery contrasts? The answer is: both. New divides have appeared, while some older divides have persisted and become more complex. In
fact, we can now think of the country as having several urban cores as well as multiple peripheries.

These trends also call for new forms of governance, in terms of the relationships between the federal government and the provinces, and between the provinces and the cities, and in the structure of local and regional government. The emergence of large urban regions highlights the widening disjuncture between the political structure of the country and its functional and territorial organization. That organization is now focused on cities and city-regions. How do we plan and govern such large urban regions? What powers and funding sources should they have? Already, cities are calling for new powers and access to new sources of funding to meet the challenge of global economic competition, to fund the requirements for new infrastructure, and to provide social services to an increasingly diverse population.

Meanwhile, the settlement frontier is also in retreat. The non-urban portion of the country, including rural areas and urban places with fewer than 10,000 people, declined over the last census period. The boom-and-bust economic cycles of northern resource-based settlements have always been a prominent feature of the Canadian urban system, but the context has changed.

The new elements include the intensity of continental integration, the impact of the demographic transition and an aging population, and the geographic concentration of immigrants. Declining urban places now overwhelmingly dominate the rural landscape and northern fringe in all regions of the country, from Newfoundland and Labrador to B.C. and the Yukon. Only one of the northern resource communities, Wood Buffalo (Fort McMurray, Alberta), with an economy based on the oil sands, appears on the list of rapidly growing centres. Paradoxically, some of the most remote and isolated settlements have also shown population increases: these are largely aboriginal communities.

Furthermore, trade flows and other forms of interaction are linking the fortunes of larger Canadian cities more tightly to the U.S. market. In 1994, about 74 percent of all exports from Canada went to the United States; in 2005 it was over 84 percent. This is clearly a process of continental integration (or imperialism), rather than globalization. Similarly, air passenger traffic through Toronto airport – the national hub – has shifted from Canadian destinations to U.S. and foreign destinations. In 1992 over 35 percent of aircraft departures from Toronto airport went to international destinations; by 2004 that figure had increased to over 48 percent.

In the longer term, these shifts may lead to weaker economic links among Canadian cities, weaker social ties between these cities, and reduced political commitments to national goals. Smaller urban places may also suffer as their economic and social needs become subordinated to the demands for greater efficiency imposed by intense competition from external producers, especially those in Asia, and from multinational corporations based outside Canada.

Such shifts may also lead to further fragmentation of the urban system, greater regional economic specialization, and greater vulnerability to changes in external markets and policies. This divide may eventually differentiate cities, not by size, but by their external linkages and levels of social dependency.

At the same time, increased levels of immigration are bringing the rest of the world to Canada. These flows link the future of the gateway cities more closely to events on the international scale, and accelerate the impacts of cultural pluralism and transnational social linkages. Because immigration is highly concentrated, however, it is transforming the social character of the larger metropolitan areas while bypassing most of the rest of the country. This trend points to an urban future in which some cities are remarkably diverse while others are persistently homogeneous.

Greater cultural diversity provides opportunities for economic growth, social innovation, labour force enhancement, and cultural enrichment. At the same time, it poses obvious challenges for public authorities and service providers in the gateway cities. Social homogeneity in urban areas, in contrast, now seems to correlate with long-term stagnation and decline. How will Canada’s transformed cities relate to senior governments, to each other, and to the rest of the country, when urban cultures are so different? New cultural divides among cities may overwhelm the traditional divides between urban and rural, core and periphery, and French and English.
Within the larger, rapidly growing metropolitan regions, the social landscape is not only becoming more visibly diverse, but also more complex and spatially polarized. In Toronto, for example, more than 45 percent of the population is foreign-born, representing more than 150 countries and 100 language groups. Within a decade, more than half of the population of the urban region will be members of “visible minority” (i.e., non-European) groups. Although diversity can, and should, be a positive feature, it also raises challenges in terms of maintaining social civility and cohesion, and in redefining the meaning of national identity and citizenship.

In parallel, new patterns and concentrations of socially disadvantaged populations are emerging within metropolitan areas. Some are linked to the negative effects of economic restructuring (such as unemployment), and others to the downsizing of the welfare state and reduced levels of social assistance. Still others are linked to the presence of new immigrants and refugees, notably those with limited or unrecognized skills, no savings, large families, and a poor working knowledge of either of Canada’s official languages. Some of these concentrations of the disadvantaged are located in older suburbs where low-rent or social housing is more readily available, but welfare services are limited.

7. The social contract revisited

Finally, there is the question of whether or not these transformations in urban Canada will weaken the Canadian social contract – the implicit and explicit “glue” of the nation-state. This social contract incorporates:

- a tacit acceptance of the duality of culture, language, and power between the two founding language groups;
- support for fiscal transfers to the poorer regions in the east from Ontario and growing regions in the west through unemployment insurance, income transfers, and regional equalization payments;
- a national commitment to the social welfare state;
- an acceptance of the imbalance between rural and urban areas in terms of political representation;
- an acceptance of persistent barriers to trade and mobility among the provinces, and even across the international border (despite NAFTA);
- the maintenance of an outmoded political structure inherited from the 19th century, characterized by the primacy of the provinces, the subservience of cities and local municipalities to the provincial governments, and the limited power of cities and urban regions on the national political stage.

All the elements of this social contract are under considerable strain. In part, the stress is a direct result of changes in the urbanization process, and in part it is a specific response to demographic transitions, global competition, continental integration, regional economic specialization, political uncertainty, and increased cultural diversity.

Will the social contract survive in its present form despite geographically uneven urbanization – that is, changes in urban population growth rates, economic activity, and differential prosperity? Will it adjust to continued high levels of immigration, a fragmented urban system, increased cultural diversity, and stark contrasts between growing and declining places?

On a more positive note, given the incentives provided by these urban transformations, will elements of the social contract simply be rewritten to reflect new opportunities, as well as new economic divisions and social differences? Will ethnocultural diversity enhance the response of our cities to global challenges? The answers to these questions have yet to be written.
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