

Community Economic Development and Metropolitan Governance: A Comparison of Montreal and Toronto*

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In the context of globalisation, both Toronto and Montreal have had to face major challenges resulting from changes in the international economy. These changes have been accompanied by various effects such as the decline of the manufacturing sector, increases in unemployment rates, the reshaping of social programs, and the downloading of responsibilities from higher levels of government to intermediate and lower levels. In both agglomerations, various development strategies have been initiated as a reaction to these effects.

At the community level, organisations have mobilised to produce innovative approaches to respond to social exclusion. Among these approaches, Community Economic Development (CED) practices aim at making increased linkages between economic and social development. At the municipal level, new programs have been implemented to support economic development by stimulating the private sector. Finally, at the metropolitan level, new structures have been put in

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place to promote a better co-ordination between municipalities in relation to the private sector in order to maintain or increase the positions of Montreal and Toronto in the new continental marketplace.

In this paper, we highlight these strategies and the differences between Montreal and Toronto. We also pay attention to the relationship between CED strategies and both municipal and metropolitan development strategies. We begin with a wider theoretical discussion of globalisation and two of its consequences: the emergence of the new urban question and the re-emergence of metropolitan issues. Then, we examine the economic development strategies implemented in Montreal and Toronto, at the three levels mentioned above. Finally, we discuss new forms of urban governance focussing on the relation of the local to other levels of government.

Globalisation, the New Urban Question and Metropolitan Issues

More than ever we live in a global economy. This is due to the fact that since the beginning of the century -- and with greater intensity since the end of the Second World War -- capitalism is increasingly organised on a global basis. The economic and cultural processes involved in this fundamental trend are redefining the functioning of the economic system in many ways. Financial markets are more integrated than ever before. The mobility of capital and workers has increased substantially. Nations have become less able to implement social policies to integrate social actors (Dahrendorf 1995).

The new economic order that has accompanied globalisation has had a huge impact on urban agglomerations which are competing more and more within an international market, trying to attract new investments, workers, headquarters and international events, in order to renew their dynamism and maintain or improve their position within the network of global cities (Sassen 1991). The consequences are twofold: first, the emergence of a new urban question, as Donzelot and Jaillet (1997) call it; and second, renewed linkage between metropolitan issues and economic development.

The new urban question is linked above all to the social restructuring that accompanies globalisation. Its impact on social classes is tremendous. Due to the requirements of flexibility imposed by the new economy, workers are becoming more vulnerable than before. The downsizing of the Welfare State and the decreasing role of the state regarding economic regulation have made it difficult to maintain the protection that workers had been able to count on in the past. Neo-liberal ideology seems to have succeeded in convincing the political elite to review their responsibility towards their constituencies. The result is that old models of social integration no longer fit their requirements -- defined in terms of increasing competition and greater flexibility of the work force.

On the urban scene -- and especially within large urban agglomerations -- the

reality of social segregation has assumed the shape of new forms of poverty and exclusion, developing with the spread of globalisation. In response to this new urban question, CED practices have been initiated. We define CED as a comprehensive, multi-faced strategy for the revitalisation of marginalised or distressed communities. Through the development of resources and alliances, organisations and institutions that are democratically controlled by the community are put in place. At stake is the possibility of the democratisation of the local economy. CED organisations mobilise local resources (people, finances, technical expertise, real property) in partnerships with resources from beyond the community. This is undertaken for the purpose of empowering community members to create and manage new and expanded socio-economic tools (businesses, specialised institutions and organisations, skill, and practices), or new types of local governance.

This new urban question leads to the second dimension evoked earlier: the re-emergence of metropolitan issues. In fact, globalisation has had a huge impact on localities, transforming our understanding of modes of regulation, especially at the metropolitan level. As Christian Lefèvre has underscored, globalisation “present(s) the question of metropolitan government in a new light” (1998: 9). The need to revise government structures and institutions in accordance with the new challenges that large urban areas have to face is related to the political will needed to adjust to the new global economy. This cannot be achieved without bringing in new actors and new forms of public action, just as the theory of urban regime suggests (Lauria 1997).

Within the current context, economic dynamism is taking place at the scale of the city-region -- corresponding to metropolitan space -- in contrast to the fordist era. The networked city that had been built in the industrial and fordist period is being substantially redefined. According to the new reality of postfordism, economic activities follow different patterns of location and investment within a territory. The old functional divisions of space are revised in order to adapt to technological changes as well as to the economic and social conditions of flexible accumulation. Paradoxically, in this increasing globalised world, localities seem more and more responsible for sustaining growth. In fact, it appears that national, and more importantly, local contexts have a major role to play in managing the impacts of globalisation (Machimura 1998). This is why, in western countries, territorial forms of governance and especially metropolitan governance have been brought again to the forefront of the political agenda (Le Galès 1995; Pierre 1997).

However, having said this, if new forms of governance try to adapt, on the one hand, to structural changes brought about by the new political economy and, on the other hand, to the complex agency relationships emerging from the new exchanges between society and local communities, it is not possible for local institutions to rely on a well defined institutional design. The model of public action based on the principles of governance that can be referred to by local actors is an open one. Confronting several tensions -- between local communities and society, among local communities, between different categories of communities of interests and between political forces -- the possible solutions have to be developed by social actors, taking into account the reality of the current cosmopolitan metropolii that

are characterised, according to Leonie SandercocK, 'by significant cultural (racial, ethnic and sexual) diversity' (1998: 163). This social and cultural pluralism became a major component of the political landscape toward the end of this century. It also raises political questions regarding adequate forms of representation and the definition of citizenship using principles that should include social diversity, but without reinforcing inequalities or introducing new ones.

In the context of cosmopolitan metropolii, actors in economic development have to adjust their strategies to a model of public action and governance which is not well defined. Additionally, the institutions involved in the management of metropolitan space are confronted at several levels by boundary changes (e.g. the collapsed boundaries of the global and local). More importantly, these institutions, as well as the social actors, have to deal with issues of local democracy. What does local democracy mean at the metropolitan scale? Who are the main actors involved in metropolitan governance? Is it possible for actors in CED, who tend to define their strategy at a neighbourhood scale, to intervene in this process? Who are their best allies in this regard? And, if they are not involved in metropolitan governance, to what extent are they able to contribute to the social and economic integration of the poor in urban settings?

Development of Montreal and Toronto: from Community to Metropolitan Strategies

In this section, we will present some of the strategies dealing with the slowing economy and growing poverty in both cities in the globalised context. We focus on bottom-up strategies initiated by community organisations and on strategies elaborated at the municipal and metropolitan levels. We underline the link between CED and governmental ones. But first, we highlight some of the economic and social problems present in Montreal and Toronto.

Montreal: Signs of Decline

From the middle of the XIXth century to the end of the 1930s, the City of Montreal was the leading economic metropolis in Canada. But, by the end of the Second World War, Montreal had lost its leadership to Toronto in the financial sector and, during the 1950s, in the industrial sector as well (Léveillé et al 1985). Structural weakness in Montreal's economy, especially the vulnerability of the old industrial sector, combined with the displacement of the centre of growth to the Great Lakes regions and the West have contributed to the city's decline. For example, between 1961 and 1976, the city lost 11 500 jobs in the industrial sector (Piché 1983: 36). In 1979, the economist Fernand Martin wrote that Montreal was threatened with passing from a great city with a national vocation to a big city with a regional function (Martin 1979:1).

In this context of a declining economy, the municipality of Montreal saw the number of its inhabitants dropping, its unemployment rate growing and poverty gaining in importance. Moreover, the recessions of the early 1980s and 1990s hit the city severely: the unemployment rate reached 10.2% in 1981, 14.0% in 1986, 14.7% in 1991 and 15% in 1996. Meanwhile, the suburbs of Montreal continued to attract middle class households, public and private services for the population, and offices and industries in such high-tech sectors as the aerospace, biotechnology and pharmaceutical sectors (Coffey 1998; Manzagol 1998). In 1996, the unemployment rate in the Montreal Census Metropolitan Area was significantly lower than in the central city: 11.2% compared to the 15% mentioned above.

Toronto: Between Growing Wealth and Increasing Poverty

Toronto (the former City of Toronto), like many other central cities, has had to face the growing problems of urban poverty, and a declining economic base. The Toronto region as a whole was hard hit by recession in the mid 1980s and in the early 1990s, owing largely to the collapse of land and housing prices and economic restructuring. Employment in manufacturing has declined absolutely in the central part of the Toronto agglomeration while it has expanded absolutely in many of the suburban areas and satellite areas (Douglas 1994). Part of this shift is due to forces facilitating transportation in peripheral areas that have easy access to highways, railways and the airport. Land costs and taxes are also lower. Corporate headquarters and regional offices in newer sectors, such as high technology, pharmaceuticals and business services, are evident in Markham, Mississauga and Vaughan (Douglas 1994). The shift is also related to international forces. For example, the decline of the textile industry owes more to changes in competition and technology than to suburban drift.

New economic conditions and the recession of the 1990s had a dramatic impact in the Greater Toronto Area (GTA). Between 1987 and 1993 in the GTA, 121 000 manufacturing jobs were lost. The financial sector suffered job losses of 12 000 between 1990 and 1992 while there were 46 000 construction jobs lost between 1989 and 1993 (Tomalty 1997). Although the decline in manufacturing in the central area has been compensated for by increases in other sectors, the labour released through the decline of manufacturing has not been absorbed by the increase in tertiary activities (Douglas 1994). Meanwhile, the suburban areas around Toronto have grown rapidly beginning in the 1950s, not only as residential areas, but as places in which newer industries have located. As a consequence, political and economic power has shifted toward the suburban municipalities.

Montreal: Institutionalisation and the Lack of an Integrated Metropolitan Strategy

Community Economic Development in Montreal

At the beginning of the 1980s, with the large increase in poverty and unemployment rates in the City of Montreal, community organisers and community organisations initiated an alternative development strategy already experienced in some American and other Canadian (outside Quebec) cities. From 1984 to 1986, they created, with the financial support of the provincial government, three Community Economic Development Corporations (CEDC) in three old industrial districts of Montreal (Hamel 1991, 1998; Lemelin and Morin 1991). The CEDCs signed, in 1985 and 1987, two agreements with a provincial government agency (*the Office de planification et de développement du Québec*) in which their mandate was defined: improving the employability of the local people and supporting local entrepreneurship. By the end of the 1980s, three other CEDCs were created in three other neighbourhoods, but their financial support was not as significant as that of the first CEDCs. However, by the beginning of the 1990s, the financial support of all CEDCs had improved.

Indeed, in a 1990 action plan (Montréal, Ville 1990), the City of Montreal officially recognised the role of the CEDCs and committed itself to participate in their financial support. The City was joined by the provincial and the federal governments. Then, the CEDCs received three missions: local mobilisation and concertation; integration of unemployed people into the labour market; and the creation of jobs by supporting local business (Fontan and Shragge 1997). Many of the CEDCs would also become involved in promoting large economic projects for their community. Then, the physical boundaries of these 'communities' became wider. Initially organised on the basis of neighbourhoods, the CEDCs had to adapt themselves to new municipal administrative units – the *arrondissement* -- which brought together three to five neighbourhoods (Morin 1998). Currently, there are seven CEDCs in the City of Montreal. These corporations establish local partnerships, and have representatives from community organisations, unions, business and the public sector on their boards of directors (Morin 1994-1995). The public agencies which provide financial support to the CEDCs are not present on these boards. In order to negotiate with these agencies belonging to different levels of government, the Montreal CEDCs put in place a co-ordinating structure, called *Inter-CEDCs*.

This inter-CEDCs committee played an important role in 1997, when the provincial government initiated a reform of both its employability and social assistance programs on the one hand, and its programs to support local economic development on the other hand. These changes were both a consolidation of employment programs taken over from the federal government and a regionalisation of economic development programs across the province. These programs were to be administered through new local organisations, decentralised to regional and large municipalities, called Local Employment Centres and Local Development Centres. In the context of this restructuring, the CEDCs, through their own inter-CEDCs committee, developed a position that defended their role and mobilised local support. Through a complex process of negotiation with the

municipal and provincial governments, they received the mandate to become the new Local Development Centres. Thus, the CEDCs saved themselves as intermediary organisations and obtained both new recognition and new financial support. But the provincial government has also consolidated its power through both the definition of the mandates of new local structures and the funding of these structures.

Municipal Economic Development Strategy

The decline of the City of Montreal weakened not only its position relative to Toronto, but also in relation to the suburbs. In the 1970s, the City of Montreal dominated the Montreal Urban Community council, but this domination was challenged by the suburban city members. Because of their demographic and economic growth, these cities wanted more political power relative to the central city. Moreover, the City of Montreal saw its financial position becoming critical. With the departure of the middle class, the degradation of the housing stock and the closing of factories, the fiscal base of the city was reduced. At the same time, its expenditures were growing, due to the costs of infrastructure and services already provided and to increased demands because of the concentration of the poor within its boundaries, and because of thousands of suburbanites who did not pay taxes to the City of Montreal but worked there and used its services.

Confronting these realities and responding to the pressures from the business lobby, the City of Montreal launched, at the end of the 1970s and the beginning of the 1980s, a strategy aimed at its rejuvenation (Léveillé et al 1985). To support this strategy, the City created two agencies with the mandate to promote the housing and industrial development of Montreal. By the middle of the 1980s, a new municipal administration put in place an advisory committee (the *Commission permanente du développement économique*) which looked for solutions to manage the processes of deindustrialisation and poverty. In a report submitted in 1989, this committee advocated local economic strategies conducted in the neighbourhoods. In 1990, the City of Montreal published the action plan mentioned above (Montréal, Ville 1990), aimed at supporting the CEDCs, with the help of the federal and provincial governments.

In 1993, the City, in another economic development plan (Montréal, Ville 1993), confirmed its support of the CEDCs. However, in this document, the City complained about the lack of an administrative organisation with the mandate of defining an economic strategy for the metropolitan region. The city wanted this administrative organisation to help the central city and its suburbs to reach the status of a city-region in order to compete in the global economy. Since 1994, the new municipal administration has maintained support for the CEDCs, but has also tried to implement a knowledge-based strategy to position Montreal in the new world economy.

Metropolitan Development Strategies

The issue of metropolitan governance is not a new question (Petrelli 1998). We can go back as far as 1921 when the provincial government created the Montreal Metropolitan Commission. However, this Commission did not have any power to intervene in metropolitan development. Later, in 1959, the provincial government put in place a new organisation, the Montreal Metropolitan Corporation. This Corporation could, in theory, be involved in metropolitan development, but the City of Montreal rejected this Commission in which the central city would have the same political weight as the suburbs. Moreover, the suburbs wanted to preserve their autonomy and were reluctant to become part of this Corporation.

Nevertheless, by the end of the 1960s, in the context of a police strike, the provincial government created a new metropolitan structure, the Montreal Urban Community (MUC) which assembled the municipalities located on the Island of Montreal and two small islands. Its responsibilities were public security, public transit, air and water sanitation, regional parks and land assessment. The MUC also intervened in the economic development of its territory through the creation, in 1972, of an Economic Development Office. The role of this office was to look for foreign or other investments. Nevertheless, there was no integrated economic development strategy for the MUC municipalities. Neither was there any economic strategy for the whole metropolitan region, which was divided into many municipal and regional structures. By the beginning of the 1990s, the metropolitan region was composed of 102 local municipalities, 12 regional municipalities (plus the Montreal Urban Community) and five administrative regions, including the Island of Montreal administrative region which covers the same territory as the MUC.

The Montreal Island Regional Development Council (MIRDC) was created in 1994 under a regional development provincial law covering the whole of Quebec. The MIRDC brings together provincial deputies, municipal councillors and actors from the socio-economic milieu (business, education and cultural institutions, community organisations, unions, etc). The main mandate of the MIRDC was to elaborate a five-year regional strategic plan for the island (Piché 1998). This plan was to look for common interests and a consensus between the MIRDC members. Thus, it proposed general goals but it could not resolve the competition between the Montreal Island municipalities. We must point out that the first of the six development axes defined by the MIRDC concerned the reinforcement of the metropolitan role of Montreal, while the third focused on community economic integration. In its 1998-1999 annual action plan, the MIRDC recalled this third development axis which refers to social development, social economy and community action.

The territory of the MIRDC is the Island of Montreal and not the metropolitan area. Thus, by the middle of the 1990s, the provincial government tried to promote metropolitan development strategies through the creation of other structures. In 1995, the Metropolitan Transit Agency was put in place with the mandate to coordinate public transit. Then, in 1996, a new ministry in charge of the Montreal metropolitan area was created. At the same time, the provincial government cut its

transfers to municipalities, which worsened an already difficult situation. Finally, in 1997, the Quebec National Assembly voted in a law creating the Metropolitan Development Commission, which was supposed to support and coordinate the economic development of the metropolis. Some actors involved in community development could have become members of this commission. But the suburban municipalities as well as the provincial government were reluctant to support this commission, and finally, it has not been implemented.

Nevertheless, two organisations aimed at supporting economic development of the Montreal metropolitan region were created in 1997 by private and public actors. One of them, Montreal Technovision, received the mandate to develop the technological potential of the metropolitan region, and the other, Montreal International, the mandate to promote Greater Montreal within the international marketplace. These two organisations were not, however, concerned with community economic development.

Toronto: CED Fragmentation in a Market Economy

Community Economic Development in Toronto

In contrast to Montreal, CED in Toronto has not become part of a systematic strategy of economic development and urban governance. CED began there in the 1980s as a response to high levels of unemployment. Yet, it did not catch on as a tool systematically and institutionally supported by the government. Its practice is carried by local organisations affiliated with community and educational organisation or as the outgrowth of social movements. We will describe a few of these. One highly visible example is the movement of “psychiatric survivors” who initiated several businesses described as “alternative”. They have federated these businesses into the Ontario Council of Alternative Businesses. This can be described as a social development strategy using business development as a tool. Two well known enterprises are A-Way Couriers and Fresh Start Cleaning and Maintenance, both of which operate with a combination of project revenues and grant support from the Ontario Ministry of Health (Church 1997).

Another example of CED is the Learning Enrichment Foundation (LEF) which received its first funding in 1978 from a local board of education to provide it with supplementary services. LEF no longer has such a formal relationship with the board of education, and has diversified its activities and funding sources to reflect the needs of its community. LEF is situated in a poor, blue-collar district that has been losing industries for the past decade, while acting as an immigrant and refugee entry point to Canada’s largest urban area. LEF has also become a business incubator, has put in place a Self-Employment Training Program, and has developed a community enterprise in woodworking. LEF has a network of 13 daycare centres that employ 140 individuals, serve approximately 600 children, and had a 1996 budget of almost \$6 million.

An example of a more traditional approach to CED that promotes business

development and individual training is the Community Resource Business Center (CBRC), a private training and consulting organisation established by the George Brown College Foundation in 1989. The CBRC is essentially a delivery system for state-sponsored programs that are based on a model of employment creation through self-employment, entrepreneurialism and small business development.

CED in Toronto is fragmented. Some of the projects are geographically based while others work with specific populations. Support is negotiated for projects and organisations from the three levels of government. CED has not in any way become part of a governmental plan or approach to revitalise the economy. It remains at best an ad hoc practice initiated from the community sector, with little in the way of an over-reaching funding or planning role assigned by different government agencies or departments. Further, we would argue that poverty in Toronto is viewed less as a geographic problem -- a neighbourhood which has high levels of unemployment and lack of economic opportunities -- but more as a phenomenon related to specific characteristics of the poor such as homelessness or having lived through the psychiatric system. In other words, CED is a marginal strategy appropriate for those on the socio-economic margins. The practice of groups like the Ontario Council of Alternative Businesses (OCAB) is to capture CED and redefine it in order to promote a social development strategy.

City of Toronto Economic Development Strategies

The focus in municipal economic development has shifted over the past 20 years from a smoke-stack chasing strategy to supporting the growth of local businesses. More and more, these efforts are centred on smaller firms through the development of an environment favourable to entrepreneurship and small business development. These initiatives include providing management assistance and support, identifying export opportunities and provision of incubator facilities. The economic development strategy adopted in 1980 was the first explicit economic development plan by the city. It recognised that in the past the City of Toronto has undertaken many land use planning initiatives that have had an impact on the economy, although the economy had never received explicit attention (Toronto, City 1980). This report cites a serious unemployment problem among youth and women, and is concerned with what types of economic development will create job opportunities, and encourage competitive and future growth of industrial sectors with Canadian ownership and control (Toronto, City 1980). The strategy proposed stimulating the private sector by providing a good climate for business through development assistance and promotion, and by ensuring a positive physical, political and social environment (Toronto, City 1980).

Public/private partnerships have also been an emerging trend in municipal economic development. One example is the economic development corporation, which is locally based. The Toronto Economic Development Corporation (TEDCO) is a self-financing arm's-length corporation owned by the City of Toronto. It was incorporated in 1986 and originally intended to focus on the industrial

manufacturing sector. It currently owns and redevelops contaminated and neglected land. TEDCO has also been involved with small business incubators providing services and outreach activities focused on different industries such as fashion design, environment, food production, telecommunications, and visual arts (Team Toronto 1997). As an arm's-length corporation, it is governed by a Board of Directors that includes 14 representatives from business, labour and city government, all of whom are chosen by city council (Todd 1996). Todd (1996) argues that TEDCO constitutes a new form of state formation that lies somewhere between the state and private capital.

In 1996, prior to amalgamation, the City of Toronto commissioned a new economic development strategy. This strategy focused on sector development in the areas of film, fashion design, medical technology and high technology (GGA Management Consultants 1996). It featured a mix of attraction and retention strategies with significant emphasis on business development services. The new City of Toronto has resulted in the amalgamation of the six economic development departments. Its economic development business plan lists six areas of operation: business support and entrepreneurial services; business sector partnerships; data, research and policy initiatives; employment area revitalisation; infrastructure expansion; and communications and investment services (Team Toronto 1997).

Metropolitan Development Strategies

The rapid growth of both the City of Toronto and suburban municipalities, particularly after 1950, has created tensions and difficulties in the planning and coordination of services of all kinds. Even by the 1920s, there were serious inter-municipal inequalities in the provision of important public services such as education and fire protection. These inequities were to be the seeds of the development of a metropolitan system of government. After a number of attempts throughout the 1920s and 1930s, the provincial government introduced enabling legislation in 1946 allowing municipalities to apply to the Ontario Municipal Board (OMB) for the amalgamation of municipalities and service districts (Barlow, 1991). The Metro system, established in 1954, was reorganised in 1967. This reorganisation also occurred because the system was unable to deal with new challenges such as social problems and human needs.

Metro Toronto also developed a strategy for intervention in economic development (Cresap 1988). Five programs were proposed. The industrial growth partnership programme is aimed at working with business and labour to collect information leading to actions to assist companies to expand into, or remain competitive in the global marketplace. The headquarters program is aimed at continuing to attract new headquarters to Metro's downtown and to develop a focused marketing program to attract and retain existing headquarters. The research and development program involves a corporate calling program to encourage corporations to expand their R&D capacity and to lobby senior governments to redress the tax imbalances which penalise companies doing R&D

in Toronto. The infrastructure program is directed at improving the supply of skilled labour and improving the communication between businesses and education. Interviews with business indicate a mismatch between the skills of existing workers and new jobs being created. Physical infrastructure development would include upgrading the international airport and communications networks. Lastly, the strategy proposed to lobby the federal and provincial governments on regional development to ensure an ongoing commitment to the development of this region. The strategy was intended to complement the economic development work of Metro's local municipalities, not to compete with them (Cresap 1988).

The strategy was to be implemented and monitored by the Metro Economic Development Advisory Committee (MEDAC). MEDAC would include representatives from metro council, the manufacturing sector, labour, education, real estate, banking and research. The authors cite the importance of this strategy in terms of intense competition from other cities. They note that many other cities devote substantial resources to economic development strategies. As an underlying principle, the strategy notes that 'the health of a regional economy is primarily dependent on the exporting companies that bring wealth into the region rather than on the enterprises that circulate this wealth within the region' (Cresap 1988: II-2).

Discussion

Both in Toronto and Montreal, there have been strong attempts by community organisations to combat the social problems of poverty, unemployment and social exclusion. In both cities, local actors have met with some success in establishing CED initiatives. The main difference between the two cities is the degree of organisation and integration of these approaches. Montreal's CED organisations have received recognition from government and have had the approach used across the city as a means of promoting economic development and social integration. CED in Toronto, in contrast, has been characterised by targeted initiatives that either work with specific populations (e.g. psychiatric survivors) or in a section of the city with a particular population (e.g. LEF). Each organisation stands by itself, and there is no over-riding policy or program from any level of government to support it.

Two inter-related factors are important in explaining the differences. The first is the tradition and the evolution of the community movement itself, and the second is the relationship of this movement to government. In Montreal, the community movement has gone through a series of changes since it emerged with its militant social change orientation developed in the late 1960s. A community service approach, often innovative, became dominant and the number of organisations proliferated. The programs and practices were picked up, supported and generalised by the provincial government as part of its social and health service network, leading to a more professionalised and structured community sector. The CED organisations very quickly followed on this route by developing structured partnerships at the local level between representatives of local stake

holders (e.g. business, union, community and government representatives), followed in turn by government using the same approach and extending it across the city. The provincial government, because it funds the CEDCs, has emerged as the most powerful level in this process and has shaped the CED organisations by the reforms discussed above, gradually displacing the role of the municipal government. Thus, the provincial government has become the key government player in shaping CED practice and programs at the local level, using the existing structures as the vehicles for the implementation of economic development and employability programs.

The community movement in Toronto also had its birth in the 1960s and 1970s as a protest movement, focussing on urban and educational questions at the neighbourhood level. By the late 1970s and 1980s, it had expanded and shifted its orientation to service activities, and as in Quebec it received financial support from different levels of government and subsequently professionalised and bureaucratised its services. However, the activities of the community movement were also shaped by new social movements (as ecology, anti-racist and identity politics) which maintained an anti-government orientation and a shift away from working in neighbourhoods. With the NDP in power from 1990 to 1994, there was active involvement of the provincial government with the community sector, including plans for the expansion of CED initiatives. With the defeat of that government and the election of the Conservatives, a shift resulted with many community groups losing their funding. Widespread participation in the mobilisation against that government followed. Some community and CED organisations succeeded in this context, but there was no systematic plan or vision in which those organisations could be part of a strategy either of service delivery or economic revitalisation. In addition, the practices of the community sector were not generalised either through funding programs or para-governmental organisations such as the CEDCs in Montreal.

There are four basic differences that explain to a large extent the way that CED has emerged in these two cities. Originally in Montreal the parish structures were important and this sense of locality was preserved through a wide variety of structures and local organising. These processes have been more sporadic in Toronto, and the locality has not been incorporated into local governmental structures and services as systematically as in Montreal. Second, governmental structures in Montreal that shape local activities are numerous. These include provincially controlled community health and social service centres (CLSCs), and decentralised bodies that fund a wide range of community organisations and activities. It is almost impossible for any local activity not to come face to face with a local bureaucrat from a provincial or municipal government. These structures are less developed in Toronto. Third, with the election of the Harris Conservative government, the links between the community movement and the provincial government were severed. In contrast, the Parti Québécois government has actively recruited and given the community sector greater visibility through its economic revitalisation strategies, such as its emphasis on the social economy, and the economic summit. These relations and traditions explain the differing

structures of CED which in Montreal are highly structured and integrated into governance, and which in Toronto are fragmented and individually must negotiate their funds and their roles.

Although both cities have felt the negative consequences of economic recession and globalisation, relatively speaking the economy of Toronto is stronger than that of Montreal. Nevertheless both cities and related metropolitan and provincial institutions have strategies to attract industrial investment. Neither city has passively waited for the market to shape the local economy, but have put in place economic development agencies to find investment. In both cases as well, these strategies have been launched by different levels of government, and these relationships have been complicated further by several restructurings of the metropolitan level of government and the involvement of the provincial governments in this process. In Toronto, part of the problem has been recently addressed by the creation of the “mega-city”. In Montreal, there is no “united” model of governance which prevails, even though the provincial government is currently discussing its establishment. The competing and complex forms of intervention, and the various forums bringing together stakeholders from all levels, have produced more new forms of para-governmental structures but have not been effective in either revitalising the poorer neighbourhoods or coordinating the various forms of intervention. Toronto has fewer programs and structures and has built a structure that gives far more power to the new City of Toronto to pursue a market driven economic revitalisation.

Conclusion

In the current metropolitan context, CED has taken on a new meaning. With globalisation and growing competitiveness between localities, CED is confronted with new challenges. It is no longer sufficient to help individual workers to find a job or to improve their training and personal skills; it is also necessary to adjust to the new conditions of economic development. In this context, community actors involved in CED strategies must not only reinforce their solidarity, but also take into account the new context in which their actions are evolving.

It is becoming more and more difficult to act in an exclusive manner at the community level, because this level does not combine sufficient resources and actors to respond to the needs and expectations of local actors. This said, what we have observed in Montreal and Toronto does not take this new reality -- the role and presence of the metropolitan scale -- into account in a concrete or significant way. It is not that CED actors do not find the metropolitan level an important one. It is more because:

- they do not have sufficient resources to act at this level; and
- it is very difficult to act because this level is not clearly present as a pertinent institutional space, particularly for Montreal.

Ultimately, the reason why it is so important for CED actors to take the

metropolitan level into consideration is because the metropolis is becoming a major player in the globalisation game, particularly, if we see globalisation as a two way process, that is articulated from the bottom up as well as from the top down. This is the challenge that lies ahead for CED actors, from which it will be difficult to escape in the years to come.

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