

## **Abstracts**

**POLÈSE, M.:** "Is Quebec Special in the Emerging North American Economy? Analysing the Impact of Continental Economic Integration on Canadian Regions". This paper proposes a framework for modeling the regional impact of North American integration, focusing on Quebec. We argue that although Quebec is culturally distinct within North America, the spatial orientation of its economy can nonetheless be largely explained by traditional factors. The analysis uses data for inter-provincial and international trade of Canadian provinces. Canada as an economic unit appears to be unraveling with all regions trading more with the U.S. than with other Canadian regions. There is no evidence that Quebec's evolving trading relationships are special in this respect. The impact of geography remains strong with location a good predictor. The Quebec economy appears to be driven by two contradictory forces. On the one hand, its location on the "declining" periphery of the North America appears to spell further relative decline. On the other, the rapid restructuring of its trading relationships towards the U.S. suggests that Quebec may succeed in offsetting the negative forces of continental integration. However, it is difficult to establish a rigorous casual relationship between the (relative) decline of the Quebec economy and the acceleration of continental integration after NAFTA.

**O'HAGAN, S. AND W. ANDERSON:** "Canadian Foreign Direct Investment in the U.S.: A Discrete Choice Analysis Approach". The trade and investment relationship between Canada and the United States is the largest in the world. However, few appreciate the extent of investment by Canadian firms in the United States. The purpose of this study is to examine the spatial distribution of Canadian subsidiaries throughout the United States and to determine why Canadians invest where they do. Based on the results of a multinomial logit model applied to investment data, we conclude that Canadian investment in the United States is attracted to states with large markets, accessibility to international inputs and markets, skilled

labour, and large and expanding work forces. Unionisation, distance, and high corporate tax rates, however, retard Canadian investment. In addition to these general conclusions, some more detailed conclusions are drawn from analyses conducted on subsets of the investment data. Among other things, we conclude that investments in the form of mergers or acquisitions are less influenced by local cost considerations than are investments for new plant, joint ventures, and real estate, and that large investments are less sensitive to the distance factor than are small investments.

**JOYAL, A., L. DESHAIES and S. McCARTH:** "The Dynamism of Manufacturing SMEs in the North Atlantic Islands: A Case Study." There are many similarities between small and medium-sized enterprises (SMEs) with island locations and those in rural communities. Both are situated at a distance from major decision-making centres and information centres. Their remote locations provide a particular challenge, since they are presumably unable to take advantage of the synergetic effects of agglomeration economies available to city businesses, and there is no local dynamic likely to create an impetus. The goal of this paper is to see whether the characteristics of rural SMEs also apply to island SMEs. We begin by presenting their characteristics, and go on to identify the methodological approach used. We then describe the survey methodology, the challenges and dynamism of the SMEs studied for the research, and the factors underlying their entrepreneurial vitality. Contrary to the claims of some scientific publications, we demonstrate that island SMEs, like many of their rural counterparts, can be innovative and dynamic in all sectors of activity. Isolation and distance do not appear to be insurmountable obstacles.

**LAYNE, J.:** "Marked for Success??? The Winnipeg Core Area Initiative's Approach to Urban Regeneration." This paper provides an overview and critical assessment of the Winnipeg Core Area Initiative

(CAI) and attempts to answer five basic questions. First, how closely did the CAI follow principles underlying effective urban regeneration efforts? Second, what were the distinctive features of the CAI and did they serve to facilitate the achievement of stated goals? Third, what emphasis did the CAI place on the evaluative function and what were its relative strengths and weaknesses? Fourth, can the impression left by the CAI be characterized as lasting and strong? Finally, what lessons can be learned from the CAI experience in relation to more informed policy approaches to ongoing inner-city challenges?

**GREEN, M.B., S.P. MEYER and R.B. McNAUGHTON:** "A Spatial-Sectoral Home and Host Country Assessment of United States Direct Investment in Canada". In this paper, we provide a detailed spatial assessment of US foreign direct investment (FDI) in Canada (disaggregated by industrial sector, province and state). We explore the importance of established economic position on the spatial choices made by US foreign direct investors operating within the highly integrated and compatible economies of Canada and the U.S. Due to this explicit 'home' and 'host' location viewpoint and the evaluation of 'established economic position' in explaining spatial-sectoral investment patterns, we believe this itemized spatial appraisal of Canada FDI from the US is distinctive. Overall, we found that US direct investment activity is highly polarized; four provinces and ten states dominate the spatial pattern. Regional differences in economic position (as measured by number of establishments and trade flows) and distance help to explain the pattern of US direct investment in Canada. However, spatial tendencies (and the successfulness of statistical explanation) differ by industrial sector.

**SKABURSKIS, A. and R. TOMALTY:** "The Effects of Property Taxes and Development Cost Charges on Urban Development: Perspectives of Planners, Developers, and Finance Officers in Toronto and Ottawa". Key informant interviews with developers, planners and municipal officials in Toronto and Ottawa were used to identify the perceived role

that fiscal instruments play in the selection of project type, density and timing. The current property tax rate and development cost charge schedules were seen to encourage lower density suburban development directly by distorting the relative cost of higher density projects. The subtle effects of the instruments were not recognized by the actors involved in development. While the new urban economic theory focuses on the effects of taxes on urban form by changing development timing decisions, the interviews show that most developers with land approved for urban development do not make subtle adjustments on density and timing – they do not delay building feasible projects so that they can build when normal profits are realizable. The "old" urban economic theory can explain the development patterns in the two cities. Permitted land intensities are generally not seen as changing after their initial designation, and their future value is not seen to vary as a result of possible future changes in the intensity with which the land can be used.

**LAMY, B.:** "Urbanisation and Urban Growth: The Example of the city of Querétaro in Mexico" [Urbanisation et évolution urbaine: l'exemple de la ville de Querétaro au Mexique]. The process of urbanisation currently underway in developing countries is without precedent in the history of humanity, both in terms of its volume and its speed. This urban 'revolution' is underway in Mexico where, in addition, economic liberalism and the North American Free Trade Area (NAFTA) have given rise to important industrial and economic developments, which in turn have had repercussions on the development of urban centres. The capital, Mexico, is 'cracking' under its demographic weight and has had to decentralise its activities to 'secondary' or 'satellite' centres; Querétaro is one such city. We present its urban growth.

**DION, Y. and C. LACOUR :** "The Revenge of Sectoral Thinking and the Renewal of Space" [La revanche du sectoriel et le renouveau de l'espace]. For the last thirty years, the key terms of regional science

and development have been those dealing with space, distance and technical progress. Progressively, these key terms seem to have diminished in importance and been replaced by the terms of technological progress and territory. The factors which explain these transformations are examined, and we focus particularly on the logic of integration and interest given to the 'local' and to 'territory'. A great deal of research has tried to delve into these domains and have led us to question the main principles of regional science. However, in this article, we argue that 'too many territories undermine the notion of territory', that globalisation is producing a more and more homogeneous space and finally, that the sectoral way of thinking which we had probably tended to forget has become all important once more: regional development analyses have shown that what is important is more likely to be sectoral diversity rather than linkages to national institutions. Recent work in the domain of regional economics suggests we can anticipate a renewed meaning of space and a renewed attention given to the importance of sectoral analyses.