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NO PLACE FOR THE POOR: RESTRUCTURING AND ENTREPRENEURIAL REDEVELOPMENT IN DOWNTOWN VANCOUVER, BC

by

Don McPhee

B.A., University of British Columbia, 1989

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS in the Department of Geography

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ABSTRACT

It has been argued that contemporary redevelopment policies and projects undertaken by both the private and public sectors are demonstrably more entrepreneurial in nature and are designed to improve the overall competitiveness of the city within a broader regional or global context. Through an exploration of a case study of inner-city transformation in Vancouver, BC during the 1980s I will demonstrate that entrepreneurial redevelopment has indeed been occurring, as well as outlining some of its possible impacts on disadvantaged urban residents.

Specifically, this study argues that urban entrepreneurial strategies have contributed to the overall economic health of Vancouver, especially in terms of improved opportunities for at least some segments of the city's population. At the same time, however, these strategies have also contributed to the continued concentration of disadvantaged urban residents into certain inner-city spaces, and that within these spaces these people are experiencing a continued lack of access to improved social and economic opportunities.

There has been a decline in employment opportunities in traditional working-class sectors in the inner-city neighbourhoods of Strathcona, Mount Pleasant and the CBD. At the same time, there has been a rise in employment opportunities in sectors that these residents do not have the education or skills to fill. This situation has resulted in a polarized occupation/income structure that is reflected socially and spatially in downtown Vancouver.

Low-income residents of Strathcona, Mount Pleasant and the CBD have been further disadvantaged by the destruction of lower-rent housing stock in the restructuring process. The end result is that disadvantaged
inner-city residents in Vancouver are being further marginalized in both the spheres of production and social reproduction.
I would like to thank the members of my supervisory committee - John Brohman, Nick Blomley and Michael Hayes - for their inspiration, guidance and patience. Their assistance and encouragement, along with insightful critiques, have contributed greatly to this work.

Many thanks also to my friends, both in and out of the geography department, who provided many useful suggestions and encouragement. In particular, my thanks to Olav Lian and Sandy Vanderburgh - two physical geographers - whose assistance, while indirect, has been greatly appreciated. Finally, without the support of Christine and our families this research would not have been possible.

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CHAPTER 1.0
GENERAL INTRODUCTION

The transformation of space has long been an important component of urban development within capitalism. The direction and goals of such transformations are not, however, generalizable to, or necessarily beneficial for, all segments of capitalist society. Capital, for example, attempts to transform or restructure the urban landscape - through redevelopment, revitalization, gentrification, and so forth - in ways that will contribute to the production of conditions enabling further accumulation (Smith, 1984). At the same time, the production and transformation of the social and spatial structures necessary for the continued accumulation of capital may prove to be problematic for other segments of society, such as the working class, who may find themselves disadvantaged by processes such as job loss through deindustrialization or changes in the division of labour (Massey, 1984). Tensions that arise between the different segments of society with regard to the transformation of urban space may be mediated through a process of conflict and accommodation - a process that includes the state. The outcomes of this conflict and mediation process are then expressed in the social and spatial patterning of urban space.¹

The production and transformation of the urban landscape does not occur in the same way in all geographic areas during the same historical period; nor does it have equal impacts on all segments of society. There is

¹ The phrase urban space, as used in this study, is meant to convey the totality of the urban experience, including - for example - the physical, economic, social, and political components.
therefore no generalizable urban space. The urban spatial and social landscape in any particular time and place is the result of the local conflict, mediation and accommodation of broader societal forces. Research that recognizes both the broader and more localized components of urban space allows for locally distinct processes to be documented, while at the same time shedding light on the relationship between these more spatially and temporally specific patterns and those of society as a whole. Investigations of the changing social and spatial structure of inner-city neighbourhoods provide some examples of such research. There has been, however, a significant difference in the direction and results of such studies, as can be illustrated through a brief examination of work undertaken in the United Kingdom, the United States, and Canada.

Inner-city areas in the UK. and the US. have, in general, been hypothesized as being characterized by discontinuous periods of very intense and destructive transformation (Wilson, 1987; Herbert and Smith, 1989). Research in these locations has tended to be focused on such aspects as the spatial concentration of disadvantaged groups, underlying tensions with regard to race relations, and the emergence of a distinctive and permanent underclass. In contrast, Canadian inner-city areas have been hypothesized as being generally characterized by continuous phases of transformation, with each phase typically leading to a more intensive type of land use (Broadway, 1989). The differences in direction and results between Canadian studies of inner-city transformation and work undertaken in other locales, such as the United States, can be related to a certain degree to specific local conditions - such as local and federal state initiatives, racial and ethnic conditions and particular economic or industrial histories. On a broader level, however, the most recent round of
inner-city transformation in both Canada and the United States can be related to larger global alterations in the operation of capitalism.

It has been suggested that the most recent transformation of the urban landscape in North America - particularly within inner-city areas - is linked to the growth of advanced producer, consumer and business service such as those related to financial, insurance, real estate, legal, administrative, managerial, and other related activities (Beauregard, 1989). The growth of these sectors can be associated with the recent round of capital restructuring and the extension of a more global economy. Revitalization, restructuring and the reorganization of capitalist relations have been viewed as necessary given the problems which began to beset advanced capitalist economies in the 1970s, including a crisis in overproduction and falling profit rates (O'Connor, 1981, 1984).

Capital and the state operating within the inner-city areas, have often attempted to capture the perceived economic benefits of managerial, professional, service and related growth, while at the same time moving less profitable and more labour intensive industries, such as industry and manufacturing, to dispersed peripheral locations. It has also been hypothesized that this sectoral shift in employment and occupation structure generated, and was bolstered by, particular forms of property investment and development, namely office building construction, the production of specialty retailing spaces, the building of hotel and convention centres and so forth (Harvey, 1985a; Feagin, 1987). The rise to prominence of the managerial, professional and service economy, along with associated office and residential development, has also been given credit for the redevelopment of older low-income, working-class and mixed-use areas in the inner-city by more affluent households - a process
commonly known as gentrification (Smith and Williams, 1986). Redevelopment of the inner-city to an office-domained landscape and inner-city gentrification can thus be viewed as part of a larger process dedicated to the revitalization of the rate of profit for capital (Smith, 1982). By examining the overall revitalization process and associated contemporary urban redevelopment strategies it is hoped that information can be documented, leading to a better understanding of current inner-city neighbourhood transformation, in terms of the spatial, social and economic impacts on the area and its residents.

It is necessary to examine the contemporary processes of revitalization and associated urban redevelopment because it has been suggested that the current round of urban transformation is in some ways different from previous phases (Harvey, 1989a; Leitner, 1990). While it may be argued that the overall goals associated with revitalization and redevelopment activity have not changed - they are still based in an attempt to improve profitability for capital - it can be argued that the strategies pursued to attain these goals have. Redevelopment policies and projects initiated by both the private and public sectors are demonstrably more entrepreneurial in nature, in that they are designed to improve the overall competitiveness of the city within a broader regional or global

---

2 There is some confusion in the literature regarding the overlap between revitalization, redevelopment and gentrification. Redevelopment implies the construction of new buildings (rather than the rehabilitation of older structures) on previously developed land (Smith, 1982). Gentrification, on the other hand, implies both social upfitting and physical renovation of existing structures (Ley, 1981). Revitalization is meant to convey a transformation of the urban landscape in response to altered or changing conditions of capital accumulation, and as such is the larger process of which redevelopment and gentrification are only components (see Knox, 1987). This study will refer to both redevelopment and gentrification in their strict sense, considering them to be two mutually reinforcing strategies pursued during the present round of the revitalization of capital.
context. Implicit within contemporary urban redevelopment strategies is the notion that specific policies and projects directed at improving the overall economic position or "health" of the city will lead to an improvement in the economic and social conditions of all urban residents (Peterson, 1981). The movement of redevelopment strategies away from a more primary concern with the quality of life and the urban experience, as was prevalent in the 1970s (see Ley, 1980), toward a greater concern with overall competitiveness may, however, have serious implications for certain segments of the urban population - especially for residents of traditionally disadvantaged inner-city neighbourhoods.

From the point of view of contemporary redevelopment strategies, inner-city neighbourhoods have meaning only in that they are representative of a particular location, and that they are made up of buildings and other supporting structures that are in turn occupying a specific space (Gaston and Kennedy, 1987). Using such a definition, these neighbourhoods can be viewed basically as commodities, or collections of commodities. The land and buildings can be bought and sold on the private market for speculation and profit. Inner-city areas will then necessarily pass through cycles of development, devaluation, redevelopment

---

3 Redevelopment strategies have become more entrepreneurial in the sense that they attempt to create advantages for the city or urban region within the global economy - through the production of a social and physical infrastructure that will attract profitable managerial, professional or service sector employment growth - without relying on more traditional forms of comparative advantage. This type of redevelopment strategy relies on the participation of both the public and private sectors to explore all kinds of avenues through which to alleviate their distressed conditions or extend successful growth, thereby securing (it is hoped) a better future for all of the population.

4 This study refers to traditionally disadvantaged urban residents as those being least able to compete in the three major competitive markets of housing, employment and education (see Herbert, 1975). This would include such categories as the poor, unemployed, disabled, the elderly, families or individuals on fixed incomes and so forth.
and revitalization. Inner-city neighbourhoods are, however, also places where people live, organize themselves, often work, and generally construct an identity of community. These areas thus have a specific social and political construction as well as an economic and physical reality. Inner-city neighbourhoods, when considered as being communities, may not benefit or be protected from potentially adverse effects generated by entrepreneurial-based redevelopment. These inner-city communities experience the outcomes of redevelopment as being related to the broader social structures of power in society that often allow for certain results. Within an unequal distribution of economic, social, or political power—such as found within advanced capitalist society—the process of defining social obligations can be biased in favour of more powerful groups (Clark, 1982).

Within such a framework, the redevelopment process—which is predicated on power and the command of urban space—may be biased against disempowered, disadvantaged inner-city residents.

Through an exploration of urban redevelopment and inner-city transformation in Vancouver, British Columbia during the 1980s this study will attempt to demonstrate that the current round of the revitalization of capital and urban restructuring has indeed contributed to a more entrepreneurial phase of redevelopment. Urban entrepreneurialism and associated redevelopment have contributed to the establishing of conditions necessary for the improved competition of the City of Vancouver within a

---

5 Agnew (1987) notes that there has been a great deal of confusion over the meaning or definition of community. At the crux of this confusion is the use of two different connotations of community. First, that a community is a morally valued way of life, and second, that it is the constitution of a particular set of social relations in a discrete spatial setting. While the use of community as a morally valued way of life has often transcended the generic sense of community, it is this second definition that is implied in this discussion.
more internationalized or global economy. Vancouver and its region have been particularly competitive in terms of trade, investment and economic development within the Pacific Rim region of the contemporary capitalist economy. This study, however, will also explore some of the possible impacts of entrepreneurial-based urban redevelopment on traditionally disadvantaged inner-city residents. It will be argued that urban redevelopment based on more entrepreneurial strategies in the downtown area of Vancouver has had at least two major mutually-reinforcing and contradictory outcomes with reference to the inner-city population. While it may be argued that urban entrepreneurial strategies have contributed to the overall economic "health" of Vancouver, and contributed especially to improved opportunities for at least some segments of its population, these strategies have also contributed to the continued concentration of disadvantaged urban residents into certain inner-city spaces, and that within these spaces these people are experiencing a lack of access to improved social and economic opportunities.
CHAPTER 2.0
ADVANCED CAPITALISM, REVITALIZATION
AND THE REDEVELOPMENT OF URBAN SPACE

2.1 Introduction

The evolution and operation of the of capitalism has always been bound up with the redevelopment and transformation of urban space. Cities have helped produce and concentrate the wealth necessary for the successful continuation of the capitalist economic system. Cities serve as centres of production and distribution, a source of markets, a storage for labour and so forth. Cities, however, also serve more than simple economic needs, they are also spaces where people live, form relations, interact with others, and reproduce themselves. It is possible to describe a certain tension between these two major functions of production and reproduction. As the needs and conditions for accumulation change and evolve, so capital has attempted to alter urban space in ways conducive or complimentary to its shifting needs (Lefebvre, 1976b). The resulting patterning of urban space has never been homogenous in its spatial, social or economic composition. The social and spatial patterning of urban space can be viewed as a complex result of locally-specific conflict, mediation and accommodation of the broader forces operating within society. All social actions take place in space and the lived experience of individuals is not at the level of grand categories but of smaller-scale places (Short, 1984). Urban areas display both aspects of the larger relations of capitalist development and locally-specific relations.
The patterning of this urban landscape is not, however, necessarily one of a crude juxtaposition or hierarchy of social and economic relations. Urban spatial organization under capitalism expresses more of a spectrum or expanse of outcomes. Within any given urban area, at any particular point in capitalist development, it is possible to identify areas of affluence and areas of poverty, territories of empowerment and disadvantage, sectors of decline and growth, and locales of active and vigorous urban life along with ones of depression and stagnation. The processes of contemporary revitalization, restructuring and urban redevelopment has the effect of altering or shifting the composition of this urban landscape, not just in physical sense, but also in an economic, social and political sense.

The transformation of urban space leads to, and is bound up in, a struggle for the command and control of that space. The reason for this struggle is that any reorganization in the spatial, economic, political or social patterning of urban space entails both gains and losses for different segments of society. The struggle for the control and command of urban space is often viewed as a contest between more affluent, empowered groups seeking to reorganize or transform space in order to further the conditions of capital accumulation and less affluent, disadvantaged or disempowered groups who often view the transformation of urban space as detrimental to the conditions necessary for continued social reproduction. Although the struggle between empowered affluent groups and disadvantaged urban residents has often been viewed as being structurally determined by the power relations between the two groups, the outcomes of the struggle are not necessarily predetermined. From a class perspective, for example, struggle may revolve around workplace attempts to resist plant closures and the resulting loss of industrial jobs. Local social
movements rooted outside the workplace may also contest living place or
neighbourhood issues (Cox and Mair, 1988). The outcomes of such struggle
are the result of a process of conflict, accommodation and mediation
between different segments of society that are not necessarily bounded by
strict lines of class, power or social status.

A third component of capitalist society, the state, is necessarily
involved in the contest for the control and command of urban space. The
state's traditional function is two-fold. On the one hand, the state attempts
to ensure the necessary conditions for the accumulation of capital. On the
other hand, while attempting to legitimize its first role, the state is
responsible for ensuring that the successful reproduction and socialization
of the labour force - along with other segments of society - can occur.
While the state's functions have always been to some degree contradictory
in nature, the present round of revitalization and redevelopment has tended
to enmesh the state even deeper within the basic contradiction of advanced
capitalism, that between accumulation and social reproduction.

Contemporary restructuring and revitalization have led to a situation
in which cities and regions must be much more competitive and innovative
in their attempts to attract and maintain economic development. The state
increasingly finds itself assisting capital through entrepreneurial
redevelopment projects that attempt to ensure the competitive nature of the
city or urban area within a more global economy. The nature of the state's
involvement with providing the necessary conditions for successful global
competition are, to a certain degree, at odds with its function of providing
conditions necessary for the successful social reproduction of some segments
of society - in particular, less advantaged inner-city residents.
2.2 Urban Transformation and the Redevelopment of the Inner-City

A great deal of contemporary North American geographical literature has been concerned with the processes involved in the transformation of cities and urban regions. As previously discussed, examinations of urban transformation have proceeded in a somewhat different fashion in different geographical locations. This distinction can be illustrated through a brief exploration of the different approaches taken towards the study of the transformation of inner-city areas within the United States and Canada.

Studies of American cities can be broadly characterized as falling within one of two opposing views as to the direction and eventual outcome of inner-city transformation. The first view examines the redevelopment of inner-cities in terms of general economic decline or social deprivation. Examples of this work includes Fainstein and Fainstein's (1985) examination of economic change in the City of New York, Mair's (1986) study of homelessness in downtown Cincinnati, Gaston & Kennedy's (1987) work on the plight of Latino and Black minorities within the transformation of inner-city Boston, and Davis' (1988) review of the economic and social condition of marginalized inner-city populations in Los Angeles. These studies have tended to focus on the processes of capital flight, deindustrialization, degenerating infrastructures, the shifting division of labour, and so forth. An analysis of these processes specifies a period of urban crisis; one in which the health, and perhaps even the viability, of particular cities and urban regions, (or at least for certain segments of their populations), is brought into question.
This is not to say that these studies forecast the demise of inner-city areas in American cities. Many of these studies, Davis (1988) and Fainstein and Fainstein (1985) in particular, recognize that the forces driving the redevelopment and transformation of inner-city areas are actually conducive to the revitalization of capital, thus benefiting some segments of society while at the same time contributing to the marginalization of other segments. Although less advantaged urban residents are affected to a greater extent, relatively few social groups within the city demonstrate complete immunity from transformed economic, social, political and physical conditions.

The second view of the transformation and redevelopment of American inner-cities focuses on the successful, or potentially beneficial, nature of inner-city redevelopment. These studies identify and examine cities that have affected or have been affected (in some sort of positive manner) by emerging new conditions of capital accumulation and associated urban transformation (Swyngedouw, 1989; Feagin, 1987; Beauregard, 1991). These successfully "converting" or redeveloped inner-cities often become the location of corporate and financial head office functions, rapidly expanding service sectors, growing hotel and entertainment sectors, high-priced retailing functions, and high-cost residential development. An inherent contradiction of contemporary studies of inner-city redevelopment, however, is that these "successfully" transformed cities are often the same ones explored for levels of economic decline and social deprivation - such as Los Angeles, New York, Boston and Houston.

It is this contradiction, or more precisely spectrum of contradictions - of growth and decline, success and failure, enrichment and deprivation, within any one urban area during different time periods - that is missing
from many analyses of Canadian inner-city transformation. Canadian inner-city research has tended to focus on three broad and competing hypotheses regarding the transformation of the urban landscape. The first hypothesis views inner-city areas as increasingly impoverished and surrounded by a resource-rich, high-status suburban fringe (Berry, 1982). This view is typically expressed as the most common U.S. scenario, and has not been widely pursued in the Canadian literature. Indeed, the issue of urban deprivation has been largely ignored in studies of Canadian inner-city areas, except for some documentation that concentrations of deprivation have historically existed (Ray, 1976; McLemore, Aass, and Keilhoffer, 1975).6

The second hypothesis of inner-city transformation in Canada points to a social geography that has been essentially stable over much of the post-war period, with few neighbourhoods exhibiting either rapid decline or dramatic upgrading (Filion, 1987a). These studies tend to focus on whether or not social upgrading has occurred, and in so doing they fail to document whether areas of disadvantage actually exist, and if so, what has been the historical condition of these neighbourhoods. Studies supporting this hypothesis reject both the most common U.S. scenario and the main Canadian focus, which views gentrification as the major process transforming inner-city areas in Canadian cities.

The final hypothesis, commonly known as gentrification, emphasizes the emergence of an elite high-status and executive-dominated inner-city (Ley, 1985; 1988). The number of studies supporting this transformation

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6 Recently this lack of research into possible urban disadvantage or deprivation in Canadian inner-city areas has begun to be addressed by Broadway's (1989) and (1992) studies of social upgrading and deprivation in various Canadian cities and Bourne's (1990) examination of income distributions within the metropolitan area of Toronto.
hypothesis has grown rapidly over the past decade (Ley, 1981, 1986; Mills, 1988). It has been suggested by Filion (1987b) and Bourne (1990) however, that students of the inner-city in Canada have often been mesmerized by the renaissance that apparently accompanies inner-city gentrification, rather than any evidence of poverty or social inequality. Given such competing hypotheses as to what exactly is taking place in Canadian inner-cities, a question can be raised over the degree to which the most popular hypothesis of transformation (that of gentrification) is representative of inner-city change in Canada.\(^7\) There is also a more general question as to whether gentrification is a primary mechanism of transformation within inner-city areas in Canada. It is difficult to dispute that some inner-city areas in at least some Canadian cities are experiencing the emergence of elite neighbourhoods. However, is there not a reverse side to this upgrading process - in fact a possible extending and concentration of urban deprivation, as hypothesized in the common American scenario - in at least some neighbourhoods in Canadian cities? Ley (1988) has indeed mentioned this possibility with respect to residential change and the erosion of affordable housing in Canadian inner-cities. There are very few Canadian urban studies, however, that invoke such a possibility at a broader social and economic level.

There is also one other important point with which to take issue regarding many studies of inner-city transformation in Canada. As many

\(^7\) Focusing on Canadian urban areas as a distinct subset of the North American urban system makes sense if one accepts the results of a number of comparative studies of U.S. and Canadian cities. It has been demonstrated, for example, that Canadian cities differ substantially from their American counterparts. They have on the average historically higher residential densities (Edmunston, Goldberg and Mercer, 1985), fewer expressways, younger building stocks, less political fragmentation and higher shares of total employment in the downtown area (Goldberg and Mercer, 1986; Bourne, 1987).
inner-city areas have experienced an overall relative increase in capital and employment growth through the 1970s and 1980s, studies often implicitly assume that the current phase of redevelopment will lead to an improvement in the material condition of all residents of the urban area. Peterson (1981), for example, asserts that:

The city is treated as a unitary organization in which the community as a whole objectively benefits from developmental policies that promote local business interests and thereby strengthen the local economy, enhance the local tax base, and generate additional resources that can be used for the community's welfare (p.131).

Cases of existing urban disadvantage or deprivation - such as those stemming from higher land costs, lack of suitable employment opportunities for non-white collar workers, destruction of traditional low-income housing, and the concentration of ethnic minorities or marginalized groups - are often assumed to be temporary and will be alleviated by accelerated economic growth and the further expansion and reorganization of capital. Canadian studies of "successfully" converting or redeveloped inner-cities have thus often failed to adequately document the impact of new urban forms and processes associated with the contemporary revitalization of capital on traditionally disadvantaged inner-city neighbourhoods. Redevelopment and growth do not necessarily result in improved conditions for the majority of lower-income or less advantaged residents. Indeed, as Hudson (1980) pointed out over a decade ago, the redevelopment of the inner-city in response to the altered conditions of accumulation and social reproduction can actually lead to a degeneration in living conditions and employment opportunities for less advantaged urban residents.
Contemporary redevelopment therefore leads not only to the physical or spatial transformation of cities, but also to their social transformation. Traditional low income and disadvantaged neighbourhoods in or adjacent to the downtown area of advanced capitalist cities are becoming increasingly non-viable in the face of this current transformation (Cox, 1981). The contemporary period of the global restructuring of capital has created profoundly destabilizing conditions in the everyday life of disadvantaged inner-city populations.\(^8\) Although such tension or conflict appears endemic to the overall urban redevelopment process as it unfolds in capitalist society, the strategies pursued by redevelopment and its outcomes need not be considered so structurally determined. Capitalists do strive to reproduce themselves and the conditions necessary for further accumulation, and in so doing they transform the urban landscape in a manner which imposes costs on certain segments of society while concentrating those costs both spatially and temporally. These costs are not, however, necessarily inflicted on a passive and accepting population\(^9\). Redevelopment occurs through a continual process of conflict, mediation and accommodation, with strategies and coalitions changing from issue to issue (Cox, 1981; Bassett, 1986).

In order to better comprehend the impacts of contemporary redevelopment on less advantaged inner-city residents, there should be a recognition that this current phase of inner-city transformation is in some ways different, in direction if not overall goals, than previous strategies employed within Canadian cities. While necessarily concerned with the

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\(^8\) The concept and operation of the restructuring process, and its specifically urban manifestations, are taken up in some detail in the third chapter of this study.

\(^9\) Within the context of Vancouver, for example, the Downtown Eastside Resident's Association (DERA) has been somewhat successful in providing services - particularly low-cost housing - for disadvantaged residents within the downtown area of the city.
general economic health of the city, some past phases of redevelopment, such as in the 1970s, were also arguably concerned with the direct production of a quality urban experience and environment (Ley, 1980). Redevelopment in the 1970s attempted to improve long-neglected downtown facilities in the downtown core and to reverse the damage done by automobile-dominated suburban development (Leo and Fenton, 1990). While representing attempts to bolster the economies of inner-city areas, redevelopment policies and projects during this period also included "a studied attempt to construct a picturesque, medium-density, human-scale landscape, with mixed residential, commercial and leisure uses, and expressive of a cross-section of local urban subcultures" (Ley, 1987: 42).

Contemporary redevelopment strategies, on the other hand, are much more concerned with producing an urban environment that will be more competitive within the more global economy of advanced capitalist society. Competition with other cities for economic growth has assumed primacy over distributional issues in urban policy-making (Leitner, 1990).

The redevelopment and reorganization of Canadian inner cities associated with the current round of the revitalization of capital does not involve simply economic forces. This transformation is occurring at a much more complex social and political level, as well as in the economic realm. It is thus the historically and spatially specific social and political processes through which the broader economic forces must work, rather than any general "laws" of the free market or of capitalist economic development, that are of critical importance to any understanding of the current transformation of inner-city areas. For example, strategies introduced for the redevelopment of inner-city areas can also lead to the ideological revaluation of state policy. The shifting economic and political conditions
associated with restructuring and redevelopment can lead to a clash between competing strategies for redevelopment itself, and how to deal with its impacts on less advantaged residents (Esser and Hirsch, 1989). As they noted in their analysis of the relationship between political ideology and economic development, Smith and Judd (1984) believe that:

Current urban policy fails to reflect the tensions between the growth and welfare coalitions. The social redistribution rationale once needed to legitimate capital accumulation in cities is no longer heard. . . . It may be that the social coalition, once thought of as a potent "social industrial complex" (O'Connor, 1973), or at least as a powerful professional-managerial "iron-triangle" (Piven and Cloward, 1982) is so weakened that it cannot assert any meaningful voice. In the absence of a countervailing voice, the accumulation process itself, masquerading as costless economic growth, has become its own legitimation (p.182).

The once contentious dispute between "percolate up" welfare strategies popular with the Keynesian state of the 1970s, and the "trickle down" strategies of the neo-conservative 1980s has been transformed into a more constrained and technical disagreement as to the best means to achieve growth and mediate the restructuring process.

Downtown redevelopment policies and programmes that produce conditions for, or take advantage of, new global economic conditions fostered by the restructuring and revitalization of capital have thus been presented as a logical process that will improve the overall "health" of the city and, by association, lift the social and economic conditions of all its residents. The construction of office towers may, for example, contribute to the successful extension of the accumulation process by providing some of the necessary infrastructure for the attraction of head office, financial or service sector employment opportunities. At the same time, however, such construction can contribute to the destruction of low-income housing.
increased land rents, and the shift of employment opportunities away from the working-class or marginalized inner-city populations.

The conjuncture of contemporary restructuring and inner-city redevelopment has therefore generated a transformation of the urban environment which can have profound impacts on the everyday life of urban residents, particularly economically and socially marginalized inner-city residents. More affluent groups, who enjoy a greater degree of spatial mobility and more commonly own the basic means of reproduction (such as their own homes) are not typically as adversely effected by redevelopment as less advantaged populations (Harvey, 1987).

2.3 Redevelopment and the Control of Urban Space

A number of urban theorists have discussed the emergence of a distinctive spatial structure associated with the rise of advanced capitalism (Harvey, 1973; Peet, 1975; Castells, 1977). Lefebvre (1976a), writing with reference to the inherently conflictual and contradictory nature of capitalist development, has argued that the very survival of capitalism may be attributed to its construction and organization of a space suitable for continued accumulation and social reproduction. The 'produced' space of capitalism thus facilitates the continued accumulation of capital, the extension and socialization of the labour force, the perpetuation of class cleavages, and so on. An essential component of this notion is the recognition that the formation of a specific spatial structure by capitalism is a process of continual destruction and creation. Strictly speaking, there is of course no single definitive capitalist space. At any particular time
capitalism is both producing and transforming space in response to specific crises and conditions that are part of the contradictory nature of the overall process. Each transformation, while re-creating the conditions necessary at that particular point in space and time for successfully continuing the reproduction of capitalist social relations, carries within it new contradictions and conflicts that may necessitate still further transformations at some future point in time.

Spatial transformations, involving the destruction and creation of urban forms and processes could, appear to be a logical and perhaps even orderly advancement of capitalist society. However, the production and transformation of urban space - redevelopment - while often thought of in terms of logical or rational behavior, is neither. Capitalist redevelopment, according to Harvey (1985a), Lefebvre (1976a), and others, has embedded within it contradictions that necessitate a continual reorganization of the produced spatial environment.

In the current round of the revitalization of capital and associated redevelopment, space has been used to engender some general structural changes in the spheres of production and circulation, a process that has particularly been focused on rearranging or transforming inner-city areas. Implicit in this transformation is the idea that the restructuring of urban form is directly traceable to, and serves the interests of, revitalized capital (Beauregard, 1991). As discussed previously, this transformation is generally considered to have been initiated by a crisis of capitalism involving overproduction and falling profit rates - referred to by O'Connor (1973) as a "crisis of accumulation". Strategies designed to alleviate the crisis have been accompanied by related shifts in the spatial configuration of inner-city areas in advanced capitalist cities. The current round of
spatial transformation and reorganization of inner-city urban space has involved the intensification of office building construction; the erection of facilities and infrastructure for the expediting, collection, manipulation and transfer of information; and the removal of much manufacturing and industrial capacity from core areas to more peripheral locations, either within or outside of the advanced capitalist country.

The contemporary expression of urban space is embedded within and associated with the contradictory dynamics of increasingly footloose and mobile capital. This capital seeks profitable locations amidst a highly disjointed and fragmented mosaic of uneven development in which different areas compete in an attempt to secure a lucrative development niche (Swyngedouw, 1989). The revitalization process and the costs which it inevitably entails are highly concentrated in both time and space, but they also demonstrate sharp geographical discontinuities. The redevelopment of a given location, however, increases the likelihood of development in the immediate vicinity.

Such inequality appears to be inevitably produced during the formation and transformation of urban space in capitalist society. Neoclassical promises of market driven equilibrium, which would obviate temporal and spatial unevenness never materialize. The spatial diffusion of innovation and response tends to be overwhelmed by the inherent seesawing of capitalism between places, never creating a balance; indeed, imbalance is the pre-condition for profitable investment now and in the future (Beauregard, 1989). Contemporary urban revitalization and redevelopment gives a geographical expression of social inequality to this uneven nature of capitalist development. This inequality is expressed both in terms of the quality of the built environment and in the spatial
distribution of the rich and the poor, or the socially marginalized and the socially dominant (Fainstein and Fainstein, 1982). Uneven development does not, however, simply mean that the types and quantities of physical and social phenomena vary from place to place. Rather it means that the socio-economic processes at work within the urban area are themselves uneven. In this way geographic patterns (or spatial variations) can be described as systematic expressions of the very constitution and structure of capitalism (Duncan, Goodwin and Halford, 1988). More precisely, capitalism restructures time and space in ways that link locales of growth with locales of decline, elite neighbourhoods with disadvantaged ones, and places of opportunity with places of despair.

The current transformation of urban space can then lead to a conflict between different segments of society with regard to the actual or perceived costs and benefits associated with such change. Central to this argument is the belief that transformed urban space can inhibit the conditions for successful social reproduction, particularly for certain segments of the urban population such as the working class and the urban poor. An examination of social reproduction, involving the broad range of social relations and practices which derive from, and which serve to protect and maintain, the basic structures of capitalist society, can better reveal the dialectical and contradictory nature of redevelopment and the transformation of urban space (Dear and Wolch, 1989). A focus on aspects of social reproduction also reflects a growing concern that the past emphasis on space and the mode of production was too functional in that

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10 The issue of reproduction and its relationship with inner-city transformation will be discussed in greater detail in section 3.4 of this study.
such analyses tended towards economic determinism.\textsuperscript{11} The belief, for example, that declining or less advantaged inner-city areas and depressed regions were in themselves the direct products of capitalist economic processes is now viewed as too restrictive to provide a deep understanding of the organization and transformation of urban space (Kirby, 1983). A greater emphasis on the processes of social reproduction can more explicitly link spatial questions concerned with urbanization or the urban form with broader social issues, including economic, social and political relations.

Contemporary redevelopment is aimed at transforming the inner-city into a desirable location for corporate and financial command and control functions, along with associated managerial, professional and service sectors. The current transformation of the inner-city area often ignores the fact that it contains concentrations of traditionally disadvantaged or low-income residents.

The impact of these changes can also be seen within central cities, where revitalized downtowns with glistening towers of glass and steel contrast sharply with dilapidated residences in central-city neighborhoods, and well-dressed office workers on their way to new jobs in the downtown push past the homeless whose single-room occupancy units (SROs) have been razed to make room for these towers (Leitner, 1990: 146).

The current round of inner-city redevelopment often leads to a contest for the command and control of urban space between these different

\textsuperscript{11} Overly functional or deterministic frameworks for the analysis of the transformation of inner-city areas tend to focus on economic relations as the primary mechanisms involved in the transformation. This can lead to the conception that the outcome of the transformation can be described through, for example, some given "law of capital" or the "workings of the market". Such analyses misrepresent the social and political nature of the transformation of urban space. The outcome of the transformation is in no way predetermined, it is contested, mediated and accommodated through the actions of different segments of society as well as through the underlying structures.
segments of capitalist society. Given the contemporary inner-city environment of redeveloped space the question should be raised as to why less advantaged inner-city residents appear to be so vulnerable to the effects of revitalization and redevelopment. The essence of the problem of contemporary redevelopment for disadvantaged inner-city residents revolves around relationships of power and the fact that their routines are often damaging to (potential) exchange values and intensified land uses. The urban poor tend to pay less rent, while their low buying power makes them disfavoured customers for many businesses. As Mair (1986) has hypothesized, some firms and institutions may even find their goals threatened, or at least hindered, by the proximity of disadvantaged neighbourhoods. This possibility can be particularly true for those types of activities towards which entrepreneurial redevelopment is targeted. An attempt to create a specialized high-priced retailing area within the downtown area, for example, may find an adjacent concentration of traditionally disadvantaged residents both economically and symbolically problematic. Mair also found that when such redevelopment projects do go ahead, within or adjacent to concentrations of disadvantaged inner-city residents, these people tend to remain in the same general location.

Although the advanced capitalist city appears to offer residents (as well as capital) an unprecedented level of mobility, there is indeed evidence to demonstrate that people spend much of their lives within a spatially restricted territory (Pacione, 1988). Increased social and economic mobility - rather than decreasing the significance of place as is often alleged - may, therefore, actually enhance it (see Harvey, 1989b). The nature of the residential neighbourhood or community can therefore be a key component of the overall urban quality of life. If this is true, then it carries some
important implications for that stratum of the urban population that finds itself socially and economically marginalized, as these groups have tended to be concentrated in the downtown area of North American cities (Dear, 1980; 1981). It is this area of the city that is increasingly under pressure from entrepreneurial redevelopment schemes.

Urban space appears to be increasingly divided into enclaves within which distinct social groups carry out parts of their everyday lives in a certain degree of isolation (Agnew, 1987). These spaces need not be distinctive for all groups; there is necessarily some overlap. Contemporary inner-city redevelopment often entail the formation of enclaves of high-cost housing abutting older run down working-class neighbourhoods, and office towers of the current urban elite overshadowing the rooming houses, hotels and hostels of the very poor and homeless.

Affluent and empowered urban residents who find themselves threatened by negative externalities generated by the redevelopment process - such as higher rents, demolition, and so forth - are often able to resist politically or, in the last instance, use their greater spatial mobility to escape from such situations. Less advantaged urban residents, on the other hand, find themselves trapped in a fragmented and unequal space that is essentially the outcome of the capitalist production and reproduction processes (Harvey, 1975). Since low-income populations usually lack the means to overcome and hence command space, they find themselves trapped by it and in it. Disadvantaged urban residents tend to be tied to specific areas within cities as a result of their limited employment opportunities, low or non-existent wage incomes, dependency on social welfare programmes and so forth. These factors can combine to produce a condition that inhibits mobility within urban space and hence any possibility to
respond to the effects of inner-city redevelopment through movement to a new location - even if they so desired. Less advantaged urban residents, for example, tend to be spatially concentrated in low-income housing that is traditionally located adjacent to, or within, the downtown core. If redevelopment is initiated that results in the destruction of this housing (or raises the land value or rent to unacceptable levels) less advantaged residents have a very restricted ability to either move to a more affordable location, if one in fact exists, or pay the resulting higher rent. This transformed urban space, to disadvantaged inner-city residents, comes increasingly to represent a prison of space and resources rather than a "prism"\[12\] (Peet, 1975).

The dialectics of revitalization and decline, development and underdevelopment, and employment and underemployment, and so forth, all under the heading of the restructuring of capital, can thus be considered to be linked to the outcomes and consequences of the imperatives of advanced capitalist growth. In such a situation it would appear that the urban poor are structurally disadvantaged by the revitalization of capital and the redevelopment of urban space, particularly with respect to inner-city areas. The city, however, is not just an environment created for the accumulation of capital and the reproduction of labour power. In the simplest terms, capitalist social organization produces a space, which in turn helps (re)produce capitalism in its totality (Gottdiener, 1984). To say, therefore, that growth, decay and uneven development are structurally channeled is not to say that this dimension of urban space is determined by

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12 Here Peet is alluding to Hagerstrand's time-space model which describes a "daily-life environment" or prism surrounding a person's place of residence. The limits of this prism are determined by the physical factors of distance and the socio-spatial functions of class, race, and so forth (see also Hagerstrand, 1970).
any sort of automatic economic process, whether this is called the "logic of the market" or the "laws of motion of capital" (Smith, 1988: 13). The uneven development and revitalization of urban space, although in part an economic process, is above all a social and political process. The transformed space of urban redevelopment, at any particular place and time, is the outcome of a complex and conflictual mediation process which is at the heart of the reproduction and extension of capitalist society. The processes of redevelopment and uneven development are contested by all segments of capitalist society (including the state), with the outcomes representative of the current power relations within that society.

Conflicts over inner-city land-use are often described as revolving around a tension between the suggestion that individuals have the right to use, hold and dispose of their property in any way they wish, and the notion that such freedom often runs counter to the more general requirements of the community (Clark, 1982). This claim, which has gained wide acceptance, proposes that property rights have a value that exists outside of the society in which they are created. During certain periods of urban redevelopment this claim has been vigorously challenged (see Ley and Mercer, 1980). Unfortunately, for less advantaged inner-city residents and their representative organizations, the political management of contemporary revitalization and redevelopment has weakened direct challenges to negative externalities associated with these processes. The "good" city is now all too commonly defined as one in which corporate domination of productive relations is uncontested, the community adapts to transformation with little or no resistance, and corporate influence over the state is accepted as a benign expression of "partnership". The state, it should be noted, is an integral component of the accumulation and social
reproduction processes of advanced capitalism, and as such, is inescapably intertwined with basic capitalist processes, such as the transformation of urban space, and any inherent contradictions that these processes may entail.13

2.4 Revitalization, Redevelopment and the Necessity for State Intervention

At the most basic level, urban space is divided between spaces of production and reproduction, leading to the concentration of land use and activities (Smith, 1984).14 There is a geographical expression to social relations and the struggle around reproduction that occurs because the actions of the various actors and apparatuses defining those relations are invariably constituted by, and mediated through, space (Chouinard and Fincher, 1987). As the created space of capitalist society - including in particular urban space - is also the space of social reproduction, the control

13 In this study the term 'state' refers to both the government of elected representatives and the various state apparatuses of judiciary, police, civil service, etc. (Short, 1984). Specifically, the state will be referred to in the context of the 'local state' as being in some ways distinct from the larger national state (see Cockburn, 1977). A focus on the local state with regards to urban transformation and inner-city redevelopment is useful in that at this level the state attempts to balance the local needs of different segments of society, as well as its own, while operating within an environment of place-specific impacts of global processes (such as footloose capital and international investment). Given these conditions, the local state can be highly susceptible to the arguments of local business coalitions for infrastructural investment and subsidies that will promote economic growth (Cox and Mair, 1988).

14 The effect of reproduction in advanced capitalist society is to perpetuate the social structures of capitalism. The reproduction process is determined by the structure of the social formation, which is a complex aggregate of production relations and the evolving socio-political, legal and cultural apparatus. Non-economic forces in the social formation are therefore of importance and may impact significantly effect both that formation and the power structures within it (Clark and Dear, 1984).
and command of that space also confers a certain power over the processes of social reproduction (Lefebvre, 1976b). This differentiation of the city into spaces of production and reproduction embeds the revitalization and redevelopment processes firmly within the contradictory processes of advanced capitalist development.

It has been suggested that the primary contradiction of advanced capitalism is that between the changing needs of capital (as related to production and accumulation) and those of social reproduction (Dear and Scott, 1981). As used in this way, the term "contradiction" may be defined as a dialectical opposition or disjunction between structural tendencies within a social system (in this instance capitalism) which causes that system to operate in negation (Habermas, 1975). One tendency presumes another, which then operates to negate the first. Although each tendency can develop only at the expense of the other, both are necessarily internal to the dynamic of the system. The resulting contradiction is thus inherent to the operation of capitalism and cannot be overcome without transcending capitalist relations. The primary contradiction within advanced capitalism is the inherent conflict between the dual imperatives of overall societal reproduction; those necessary to permit further accumulation to take place, and those required to maintain the labour force and consumption structure compatible with capitalist production.

Mollenkopf (1981) has, for example, stated that cities contain and concentrate two basic types of relationships; those of production and capital accumulation, and those of social interaction and community formation. He then goes on to explain the ultimately antagonistic interdependence
between accumulation and the idea of community and reproduction. As this contradiction becomes more acute it produces a number of interrelated conflicts that are often manifested or heightened within inner-city areas. These secondary conflicts include, but are not confined to, deindustrialization producing working-class unemployment, low-income or working-class housing shortages and inadequate social welfare programmes.

The state, as an integral component of capitalist society, is entwined within the imperatives of accumulation and social reproduction. As neither of these imperatives are guaranteed - indeed, they are often in contradiction with one another - capitalist society necessarily incorporates the institutions of the state as a mediating agency. While attempting to sustain the process of accumulation, and at the same time intervening to try to ensure successful social reproduction, the state has its own objectives

15 The inherent antagonism is embedded in the idea that cities, communities and neighbourhoods have a two fold aspect within society in that they have both a use and an exchange value. Marx proposed that every commodity within capitalist society, including land and buildings, had both a use value and an exchange value. Use value had value only in use, and this was realized through the process of consumption. The creation of exchange value resided in the social process of applying necessary labour to objects of nature to yield up material objects (commodities) suitable for consumption (use) (Marx, 1971). This Marxist device for bringing use and exchange value into a dialectical relationship offers the prospect of constructing a bridge between socio-spatial and economic approaches to urban land-use problems (see Harvey, 1973). Any given piece of real estate would have both a use and exchange value. Individuals or groups can differ as to which aspect, use or exchange, is most important to their own lives at any particular time and place. It is this lack of consensus as to how the inner-city area is to be viewed that is of great importance to any discussion of contemporary urban redevelopment.

16 The notion that capitalist society devotes large amounts of energy and resources towards reproducing itself comes from Marx, who noted that "every social process of production is, at the same time, a process of reproduction" (Marx, 1971: 531). In this classical Marxist sense then, the production process not only produces material objects, but also continually reproduces the associated production, distribution and consumption relations. The reproduction of capitalism involves, for example, the perpetuation and socialization of the labour force, class segregation, and the mediation of crises of overproduction and underconsumption (Dear, 1981). Reproduction therefore allows for the replacement and transformation of things while maintaining their traditional relationships indefinitely.
as well. It must seek to legitimize its own actions and its relationship with all segments of capitalist society in order to ensure its own continued existence and functions.

Out of this process emerges a basic dilemma; the amount of latitude for material concessions by capital and the state to ensure social reproduction is essentially dependent on the relatively "disturbance-free" operation of the accumulation process (Hirsch, 1981). The resources available to the state for redistribution, social welfare, housing and so forth, are to a very large degree dependent on the ability of capital to accumulate. Here then is the problem; to intervene effectively within society to ensure social reproduction the state must, at the same time, not "cream off" too much capital or produce conditions that may inhibit continued accumulation. By definition however, the state must also be involved in the accumulation process in a way that may not be compatible with its reproduction obligations. This situation is particularly true during periods of crisis or structural transformation within capitalism.

The state is often expected to assist in providing the conditions for continued accumulation while at the same time mediating and compensating any conflict that this activity may produce within the reproductive sphere. Other segments of society expect the state to assist in providing conditions for successful social reproduction. As the state attempts to mediate these conflicts within society, its actions constrain its ability to maintain legitimation. The state itself is in an increasingly untenable position as it attempts to reconcile the demands of capital for continued accumulation with the need to mediate social conflicts and produce the conditions necessary for continued social reproduction. The role of the state in this basic contradiction of capitalist society can be
illustrated by an analysis of the contemporary redevelopment process as it is played out within the inner-city areas of Canadian cities.

In the event of apparently traumatic events, such as the recent round of global capital restructuring, the local state is generally called on to intervene, promote, or modify certain aspects of the restructuring process in response to the needs of both accumulation and reproduction (Bradbury, 1989). The local state, due to its dependent nature in terms of local resources and the electorate to whom it is responsible, is in particular called on to intervene in and mediate the broader societal patterns of restructuring and redevelopment as they are played out at the local level. Because the contemporary state is also an element of the capitalist system itself, it is therefore also an integral component of the restructuring process. As a result, the state is pressed increasingly into three mutually reinforcing, but at the same time conflicting functions.

The first involves initiating and executing comprehensive socio-economic restructuring in order to further the capital accumulation process. This function has contributed to the current round of inner-city transformation, as the state attempts to contribute to the production of conditions that will enhance the overall competitive nature of the city.

17 Local states and capital have been forced into innovation and investment through entrepreneurial redevelopment in order to make their cities more attractive as corporate, financial, consumption and cultural centres. These innovations and investments - including, for example, convention centres, sports stadia, downtown consumption spaces and massive office development - have been quickly imitated elsewhere, thus contributing to further cycles of innovation and over investment (Harvey, 1987). The absorption of a certain degree of risk by the public sector, in particular through the provision of infrastructure, has meant that the costs of locational change have diminished from the standpoint of transnational capital, making the latter potentially more mobile. Contemporary redevelopment in response to restructuring may then reinforce the competitive cycle in which urban areas now find themselves, leading to more state involvement in the restructuring of the conditions for further accumulation, perhaps at the expense of its traditional involvement in the reproduction process.
through involvement in entrepreneurial-based redevelopment schemes, including office development, the construction of hotel and convention facilities, the provision of adequate infrastructure - both physical and social - and in general the creation of a positive climate for further investment and economic expansion. Included in this view of urban transformation and state intervention is the role of the state in facilitating a shift in investment from the primary circuit of production to the secondary circuit of the built environment in the pursuit of further accumulation. The result has been, among other things, increased speculation and investment in both inner-city land and construction activity.¹⁸

Secondly, the state is charged with simultaneously intercepting and compensating for the social consequences of the execution of its first function, while at the same time attempting to ensure social reproduction. The state can attempt to fulfill this second function through its traditional role of redistribution and welfare provision. Actions undertaken in an attempt to complete this redistributive and reproductive function may include the construction and/or maintenance of low-income housing, employment programmes directed towards the most disadvantaged segments of society and the provision of social welfare programmes.

¹⁸ The shift from the primary circuit of production to the secondary circuit of the built environment is part of a movement towards financial manipulation rather than productive enterprises as a source of profits (Beauregard, 1991). This shift encompasses capital flows into fixed capital of the built environment essential to production (e.g. office towers, factories, etc.) and to consumption (e.g. housing) (Feagin, 1987). The investment in the built environment is undertaken not only for the obvious use-value reasons - more office space for large corporations - but also for financial reasons, as part of the quest for the highest rate of return on investment of excess capital (Harvey, 1985a). In addition, state action often becomes necessary to expedite large-scale real estate or development projects. State and financial institutions thus play a strong mediating role in shifting capital in and out of the primary and secondary circuits (Feagin, 1987).
Third, the state must regulate any resulting conflicts between the differing segments of capitalist society that may result from the operation of the first two functions while at the same time maintaining its own legitimation. It is through this final function that the state is involved increasingly in a no-win situation. If it is viewed as siding too often with the forces of accumulation and economic development (through certain decisions regarding land use, development policy, etc.) it can be viewed as having forgone its role as ensurer of social reproduction for all segments of society. At the same time, if the state opposes capital too often, or ignores the needs of accumulation, it may find itself without the resources necessary to carry out its social reproduction obligations.

In dealing with the revitalization and redevelopment of urban space, and while attempting to fulfill its functions while maintaining orderly development, the state may intervene in the redevelopment process itself in order to fulfill its roles in the processes of accumulation and social reproduction. One way in which the state accomplishes this through the development of a comprehensive land-use plan. This intervention is a reflection of the fact that some of the new conditions of accumulation may, without state intervention, actively threaten the successful social reproduction of certain segments of society, such as disadvantaged inner-city residents. At the same time, this comprehensive plan must appeal to capital and the forces of accumulation. The capitalist state (in particular at the local level) is thus attempting to mediate any tensions resulting from the need for spaces of both reproduction and accumulation within the urban landscape.

As the downtown is redeveloped to produce conditions for, and to take advantage of, restructuring and the new global economy, social
reproduction for less advantaged residents of the downtown area becomes problematic. In situ redevelopment of the existing urban environment leads to the consumption and intensification of space, as parts of that space are reproduced or restructured to fulfill new functions. Through this process the internal differentiation of urban space becomes a major determinant of the conditions upon which further expansion and transformation depends.

The redevelopment of many inner-city areas into command and control centres for both capital and the state reveals the state's essentially contradictory role as guarantor of both accumulation/economic development and reproduction/community formation (Smith, 1988). While the state does attempt to maintain a certain level of traditional social reproduction through, for example, the provision of low-cost housing, social welfare and unemployment insurance, its concern with the sustenance of private production and accumulation through its sponsorship and involvement in entrepreneurial redevelopment activity makes successful social reproduction increasingly difficult for disadvantaged inner-city residents. The construction of a physical environment of office towers, transportation infrastructure, high-cost housing developments, and consumption functions may thus necessitate the destruction and/or renovation of the traditional less advantaged inner-city residential neighbourhoods. A contradiction can then exist between the production of the conditions necessary for further accumulation within the realm of restructured capital and the successful social reproduction of certain segments of the urban population.

Analyses of contemporary redevelopment at the urban level thus necessarily become the study of the intersection between individuals or groups (most often operating at the local level) and restructured capitalism
(most often operating at a more global level), and the political attempts at
(re)negotiating socio-spatial impacts by those groups or individuals whose
interests have been, or may be, slighted by capital and the costs of growth
(Gottdiener, 1985). By such logic, if further growth occurs, sufficient
employment opportunities would be created to provide full employment,
and eventually the opportunities provided would redress basic urban
inequalities. Redevelopment strategies developed to assist the
restructuring process, while often extending the conditions necessary for
continued accumulation, do not necessarily provide the conditions needed
for successful social reproduction for a significant number of inner-city
residents.
CHAPTER 3.0
RESTRUCTURING AND INNER-CITY REDEVELOPMENT

3.1 Introduction

The previous chapter discussed the role of broader societal forces, such as revitalization and redevelopment, and their conflict, mediation and accommodation at the local level, resulting in the production and transformation of urban space. This chapter will examine these forces at the local level in more detail in order to better understand the process of redevelopment as it is currently unfolding within the inner-city areas of advanced capitalist cities. Contemporary redevelopment is responding to, and helping generate, new forms of capital accumulation and economic, social and political development. As such it is a component of the larger mechanism of capital revitalization and restructuring that has been occurring in advanced capitalist society since at least the mid-1970s.

Restructuring is meant to convey a broad set of changes in response to some period of crisis, or disjuncture in capitalism. The most recent episode of capitalist crisis is generally linked to a crisis in overproduction and falling profit rates during the recession that followed the first oil shocks of 1973-75, driving home the interdependent nature of advanced capitalist economies (Soja, Morales and Wolff, 1983). Restructuring involves a series of strategies undertaken by capital and the state in an effort to restore levels of profitability. Specifically, these strategies resulted in a deepening of the division of labour (less union employment, more part-time work, greater use of third world and immigrant labour and
so forth), the generation of new consumption needs (such as the production of spectacle and the greater selling of lifestyle and experience), the greater concentration and centralization of capital (particularly corporate command and control functions involving head office or financial activities), along with the increased internationalization of capital. Within advanced capitalist cities which were able to engage in the restructuring process, the result was a physical landscape dominated by office buildings, a loss in manufacturing and industrial employment to more profitable peripheral locations, a general withdrawal in investment in social welfare, and a increased concern with competitiveness, especially on an international level.

At the urban level, restructuring led to a reorganization of the physical, economic, social and political make-up of cities and urban regions. Urban restructuring has been affecting the organization of the labour process and the composition of the work force, the location of industry and the sectoral distribution of employment, the organization of the working class and the patterns of conflict. The result has been economic growth and expanding concentrations of affluence juxtaposed with extensive layoffs, plant closures, deepening poverty and increased rates of homelessness.

That urban landscape that continues to emerge through the restructuring process is one in which contemporary redevelopment has been directed at attracting and maintaining key corporate/financial command and control functions, along with associated service sector activity growth,

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19 This would include such urban experiences as Baltimore's Harbour Place and EXPO 86 in Vancouver. Their perceived success rests on the fact that the act of buying has been connected with the pleasure of the spectacle in secured spaces, safe from violence or political agitation. Urban life has increasingly come to present itself as an 'immense accumulation of spectacles' (Harvey, 1987). See also the quote from Smith (1988) on page 53 of this study.
within a more international or global economy. The restructured urban landscape pre-supposes, to a certain degree, a particular spatial and social structure - especially in terms of inner-city transformation. To attract the desired economic activity, the inner-city of advanced capitalist society has been transformed into an office-dominated environment in which the provision of housing opportunities for office workers, infrastructure requirements and the establishment of the "proper" business climate take precedence over targeting the needs of specific segments of society, such as disadvantaged inner-city residents.

Urban redevelopment strategies no longer rely on simply exploiting some sort of comparative advantage that may already exist, but often aims at creating advantages to further the competitive position of the city within the global economy through the production of infrastructure (physical and social) and the development of a business climate conducive to attracting further economic growth. The difficulty, however, is that most conditions for competitive advantage can be recreated almost anywhere. It is thus only with great difficulty that one city can remain more attractive to global capital than any other location. For example, the construction of convention facilities to facilitate competition for this type of business activity can be initiated in any number of urban areas, resulting in increased competition for such functions. Success is not guaranteed; therefore further attempt to create advantage must be undertaken. The result is continual transformation of urban areas by what can be termed entrepreneurial-based redevelopment policies and projects.

Entrepreneurial-based redevelopment strategies are concerned with creating the conditions necessary for the promotion of the city within a more international economy and extending the city's overall economic
"health", rather than any preoccupation with quality of life or social welfare. The justification for this type of urban redevelopment is the idea that economic activity facilitated by redevelopment policies and projects will, over time, contribute to an increase in the social and economic opportunities of all urban residents, including the traditionally distressed inner-city population (Harvey, 1989a). Any existing, or even created, inequality will be alleviated by the maintenance and extension of economic activity based on the growth of corporate and service activity. However, traditionally disadvantaged groups appear not to benefit from the results of entrepreneurial urban redevelopment. Indeed, they can suffer both from a transfer of resources to speculative redevelopment projects and from the choice of location of such projects. Finally, although entrepreneurial redevelopment policies and projects do appear to be somewhat successful at facilitating the growth of employment in some sectors, it appears unlikely that they will create accessible employment and housing opportunities for most traditionally disadvantaged inner-city residents.

3.2 Urban Restructuring and Inner-City Transformation

The term restructuring has been used by many urban analysts to describe part of the world-wide process of structural change in the organization of capital, labour, production, distribution, consumption, and the corresponding spatial structures, that has been occurring with increasing acceleration over the last twenty years in advanced capitalist society. From the perspective of capital, restructuring combines the processes of cutting costs by moving to new locations, changing work
organization within the community, and fragmenting the work process locally, regionally, nationally, and internationally (Kolko, 1988). Restructuring generally is meant to convey a break in previously established trends and a shift towards a significantly different order and configuration of social, political and economic forces. Beauregard (1989), for example, uses the term economic restructuring to refer to a broad set of changes in the nature of the economy, not only in its products and distribution of employment but also in the social relations of production (extent of unionization, use of part-time labour versus full-time), the means of production (technology), and the forces of production (e.g., market demand, profit requirements). The term restructuring has also been used to describe the empirical experiences during a crisis event, or phase of adaptation and change within a whole system of production (such as capitalism), be it at the local, regional, or national levels (Bradbury, 1989).

Theorists whose work articulates qualitative discontinuities in capitalism often link their sense of restructuring with such notions of crisis (Harvey, 1982; 1985a; 1985b). This position is especially indicative of Marxist urban theory, where an understanding of capitalism is generally structured with reference to its internal contradictions which necessarily produce crises. Not all urban theorists, however, are in agreement that urban restructuring represents a qualitative disjuncture in capitalism. Fainstein and Fainstein (1989), for example, consider capital to be using space much as it always has in the past; to fuel the process of creative destruction and enhance capital accumulation and control over labour. In their view, an acceptance of the notion of contradiction and crisis does not necessarily lead to a belief that the contemporary restructuring process represents a significant and inexorable alteration of capitalism. They
argue that while the growth in the size and importance of transnational firms, the further integration of the world economy, deindustrialization and so forth are significant events, the deep structural logic of capitalism has not changed.

While it may or may not be true that the underlying deep logic of capitalism has changed, it can be argued that the strategies pursued to maintain it are in some ways significantly different than during previous periods of restructuring, particularly with regards to the use of urban space. The restructuring of geographic space can then be viewed as a response to crisis, and as such is part of capitalism's search for a solution to inherent contradictions. Restructuring has led to changes in all aspects of capitalist relations, including social, political and economic life. These changes have initiated, and been facilitated by, a reorganization of the space produced and utilized by capitalism.

The reorganization and transformation of space during the restructuring of capital has had significant impacts on the urban landscape. For example, the movement of much manufacturing and industrial activity to more peripheral locations - as a strategy of restructuring - has had devastating social and economic consequences for certain segments of advanced capitalist society. It is within this re-ordering or transformation of capitalist spatial, social, economic and political life, therefore, that strategies for urban restructuring can be found at work. Law and Wolch (1991) envisage an intensification of the symbolic and control functions of the downtown area as it emerges as a "global city" in a new urban hierarchy. Along with heightened integration into the world economy comes foreign investment, immigrant presence and a shift in industrial composition of employment from manufacturing to services.
It has been clear that for some time now the processes of revitalization and inner-city redevelopment have been responding to these new and in some ways distinctive sets of economic, political and social forces. The process of restructuring thus includes within its operation a distinctive phase of urban redevelopment, as space must be transformed to meet the needs of contemporary restructuring. It has been generally argued that the current period of restructuring and revitalization involves a phase of redevelopment that is much more 'entrepreneurial' in nature from the redevelopment that occurred in the 1960s and 1970s (Harvey, 1989a; Leitner, 1990). The consequences for inner-city spaces have included robust construction activity, increased speculation and expanded investment in land and improvements. In addition, economic and social activities within the downtown areas of advanced capitalist cities have been transforming resulting in greater investment in office buildings, luxury housing and waterfront developments, and less investment in manufacturing plants, affordable housing and public open space (Beauregard, 1991).

In order to be more competitive within a more global economy, cities have undertaken redevelopment - including investment in infrastructure, cultural facilities and urban spectacles - that exhibited a much more entrepreneurial nature than past phases of redevelopment. Entrepreneurial-based redevelopment policies and projects were deemed necessary for allowing the city to challenge successfully for economic growth within the highly competitive international or global space of restructured capital. In order to attract command and control functions, such as corporate and financial headquarters location, redevelopment was also targeted at luring and retaining an educated labour force, inner-city gentrification, and the displacement of the lower classes from their
traditional inner-city communities (Harvey, 1989a; Swyngedouw, 1989). Restructuring has, therefore, initiated and been facilitated by the spatial and social transformation of urban areas, including, especially, the inner-city area of advanced capitalist cities. The result has been an urban landscape that is demonstrably different in numerous ways than that which existed before this period of current restructuring.

3.3 The Global Economy and the Emergence of World Cities

One way in which the new urban landscape of restructured capital is being described is through the 'global city' debate. The term global city has been used to identify an emerging urban form - one that has successfully responded to, and continues to facilitate, the process of restructuring and the reorganization of capitalist urban space. While the term 'global city' denotes neither a theory nor a universal generalization about cities, it is a useful point of entry into contemporary restructuring, revitalization and inner-city redevelopment (Friedmann, 1986). Using the concept of global cities, a discussion can be constructed that encompasses the spatial organization of increasingly internationalizing economic, social and political forces, and as such expresses a concern with the contradictory relationship between the processes of accumulation and social reproduction in an era of global management and the local determination of territorial interests.

While a more global perspective of urban development and transformation was foreshadowed in the 1970s by Harvey (1973), Wallerstein (1974), and Castells (1977), it was not until the early 1980s
that an explicit discussion of the particular role of cities in the global economy was initiated. Cohen (1981), for example, points to the massive increase in the internationalization of capitalist relations of production as the common explanatory factor in all accounts of world-city development. Taken more precisely, the emergence of global cities is considered to reflect the material manifestation of the control of transnational capital, where cities serve as financial centres, administrative headquarters and centres of hegemonic control (Friedmann and Wolff, 1982). The development of a global network or hierarchy of cities can thus be viewed as both a manifestation and a component of the overall restructuring process itself. As such, the concept of world cities can be viewed as being representative of at least part of the spatial reorganization of urban space associated with the strategies of restructuring.

Some urban analysts have hypothesized that the 'global capitalist city' can be distinguished from previous phases of urban development by its higher concentration and centralization of financial, management, international trade and corporate headquarters locations (Soja, Morales and Wolff, 1983). Any discussion or analyses of this current period of urban development and transformation should explore the operation of these economic relations and their spatial, social and political impacts within specific urban locales. Thrift (1986) calls for the focusing of analysis on the three principal groups of actors on the world stage whose activities, collectively, have established the infrastructure and conditions necessary for the emergence of global cities. These actors are, first, transnational corporations who have developed and exploited the internationalization of the world's resources, markets and labour, and secondly, large transnational financial institutions, which have internationalized the
workings of capital and credit. The third actor is the state, which has successfully globalized foreign investment opportunities by attracting investment and companies through policies promoted by international organizations such as the International Monetary Fund (IMF), the World Bank and the OECD.

While a number of different methods have been proposed to delineate global cities from other more national or regional urban centres, a number of criteria have been agreed upon, including: population size (e.g. 10-20 million - tier I, 5-10 million - tier II, 1-5 million - tier III), existence as a major financial centre, location of headquarters of transnational corporations (including regional), the presence of international institutions, rapid growth in the business service sector, importance as a manufacturing centre, and existence as a major transportation node (Friedmann, 1986: 72). Although some difficulty arises in attempting to locate specific cities or urban regions within this hierarchy, it is possible to generalize that the tier I category would relate to cities of truly international importance, such as New York, London, Los Angeles and Tokyo. These cities contain and concentrate corporate control and command functions whose actions can produce effects felt by practically all segments of capitalist society. Tier II cities would include cities which contain functions that operate on a national or world-regional level. Cities in this category would include, for example, Chicago, Hong Kong, Seoul and Paris. Cities that fall within the tier III category can be defined as regional centres, whose importance often lies in linking different areas within a world-region, such as the Pacific Rim, together with each other and the larger international economy. Cities in this category might include Milan, Taipei, and Toronto.
The existence of these criteria presupposes, to a certain degree, the formation of a distinctive urban spatial and social structure. The 'new' command and control and producer-services economy described by these criteria relies on the creation or existence of a concentration of office towers, just as new international competition in retailing and tourism presupposes the existence of consumption-oriented galleries, shopping malls, cultural facilities and hotels. As the base of the contemporary advanced capitalist city has shifted towards the service economy, the spatial and social profile of the city has also been altered according to the needs of restructured capital.

The central business districts of such cities have experienced revitalization involving redevelopment leading to an associated expansion and deepening of administrative and financial functions as corporate control capabilities have been concentrated there (Beauregard, 1991). The redeveloped urban environment also provides for investment, the storage of capital, and new opportunities for extracting rents. In broad terms, through the increased centralization of capital in certain urban areas - and within certain spaces within those areas - urban space itself continues to become capitalized as space of production, consumption and circulation (Smith, 1984).

A central element in this (re)capitalization of urban space associated with the rise of global capitalist cities is the alleged shift of capital from the primary circuit of production to the secondary circuit of the built environment (Harvey, 1985a; Feagin, 1987). The investment of capital in the realization of surplus value is increasingly tied to the built environment. This shift is associated with a larger movement towards financial manipulation and speculation rather than investment in
productive enterprises for the creation of profit. As possibilities for further economies in the production of goods have been narrowed, capital has increasingly looked for economies in administration and service functions to raise profitability, particularly in the growth and export of producer services such as research and development, finance, insurance, accounting, advertising, consulting and legal services (Sassen-Koob, 1984).

Besides focusing on the opportunities presented by the growth of producer services for the realization of profit, the effect within urban areas has been increased construction activity and increased investment and speculation in land (Beauregard, 1991). Within the downtown areas of global cities this has led to increased activity in the real estate and development sectors. While the real estate cycle has long been a subsidiary economic sector, it is now assuming greater importance within the economies of advanced capitalist society. Little by little it has become a parallel sector with the primary circuit of production, heading towards integration into the normal production-consumption cycle (Lefebvre, 1976a). Capital investment is, therefore, increasingly seeking a refuge in the real estate sector as a supplementary and complementary territory for exploitation and accumulation.

The emergence of global cities has important links with altered conditions of capital accumulation, and is particularly associated with the mechanisms and strategies of restructuring. Cities (including their local governments, businesses and private individuals) have focused on the attempt to attract and maintain highly profitable economic pursuits related to professional, managerial, administrative and associated service activity growth. At the same time, urban areas have also lost traditional economic activity, such as manufacturing and industrial production to more
profitable peripheral locations. Both of these processes are part of the overall strategy of restructuring, and as such they lead to a particular transformation and reorganization of urban space. The transformation of urban space required by the process of restructuring has become increasingly entrepreneurial in nature, as the very existence of "global" cities within an international economy necessarily leads to competition between cities and urban areas for the most desired economic activity.

3.4 Global Competition and the Shift to Entrepreneurial Redevelopment Strategies

Urban redevelopment programmes associated with the current reorganization and transformation of capitalist space are aimed, much as they have been in the past, at providing conditions for continued accumulation through redressing the degeneration of facilities in the downtown core (Leo and Fenton, 1990). Contemporary redevelopment strategies are somewhat different in directions and goals than they have been in recent phases of urban transformation. Redevelopment in the 1970s, for example, was generally a reaction against the damage done to central city areas by the decentralization policies of the 1960s. Specific redevelopment policies and projects, in the City of Vancouver for example, were often targeted towards the improvement of the urban experience and the preservation of quality of life (Ley, 1980). Present-day programmes of redevelopment appear to reflect a much deeper preoccupation with the provision of conditions and incentives necessary for the promotion of economic development as a means of bolstering and extending the
prosperity of the city. According to some commentators, however, while this strategy has been "successful" in economically revitalizing the downtown area of some cities, this has often been achieved at the expense of social and economic conditions for disadvantaged inner-city residents (Harvey, 1987; 1989; Levine, 1989).

As stated, downtown redevelopment during the 1970s had become concerned with the costs emanating from high-density growth, land speculation, industrial land uses and decentralized suburban growth. Concern with the negative externalities of urban growth was not unique to any one geographical location - the 1970s was a period characterized by resistance to massive urban change and transformation in many North American cities. Entrepreneurial interests were at least partially de-emphasized as a result of pressures from within the community. Such pressure usually originated from groups or individuals immediately and directly effected by specific redevelopment proposals. The make-up of affected groups, the issues they organized around, and the tactics of resistance they pursued varied from city to city, and from issue to issue (Ley and Mercer, 1980). Interest group action was generally only successful, however, in cities where the specific concerns of the group were politicized on a broader city-wide scale.

The ethic of growth and the corresponding stress on overall production goals were, in these cases, replaced to some extent by a concern for the general livability of the urban environment and the life opportunities of its residents. There are three broad assumptions regarding redevelopment policies undertaken prior to the entrepreneurial redevelopment policies of the 1980s (Harvey, 1989a). These assumptions, while directed at redevelopment in the United States, are particularly
relevant for redevelopment policies and projects carried out in Vancouver in the 1970s (Ley, 1980). First, there was a tendency for different levels of the state to mobilize resources rather than relying on the financial sector. Secondly, the redevelopment that was generally undertaken was of a non-speculative nature in that the state determined what was necessary or best suited in terms of land use with little consideration for the most market-efficient (i.e. such as the highest rent-paying) uses of land. Third, this type of redevelopment focuses closely on the broad political economy of territory, by improving the conditions of living or working in specific jurisdictions, such as central city areas (Leitner, 1989; Harvey, 1989a). During the 1980s, however, the ethics of growth and economic development again assumed ascendancy over issues of quality of life.

The nature of contemporary economic growth in cities has meant that each city must compete against others, attempting to maintain whatever standards necessary to attract business growth. Liberals' concern for upgrading or alleviating the social and economic conditions of the poor, while they were poor, became to be viewed as misguided (Goodman, 1979). Some neo-conservative commentators, such as Edward Banfield (an advisor to Richard Nixon), hypothesized that through continued economic growth the city's poor would automatically be pushed into the middle-class - an idea that became known as "benign neglect". The shift from more redistributive or territorial forms of urban redevelopment can, therefore, be considered part of a larger political or ideological transformation, in other words, a shift from service delivery-based "public administration" to economic growth-focused "public entrepreneurship". The state attempts to maintain local business and employment growth - and thus local
government revenues - by stimulating private sector involvement in local economic development projects (Kirlin and Marshall, 1988).

There is also some general agreement that this shift in direction toward more entrepreneurial redevelopment projects is related to the difficulties that have beset capitalist economies since the recession of the early 1970s and as such it is part of the strategy of restructuring designed to alleviate these difficulties (Leitner, 1990). The rise of entrepreneurial-based redevelopment has thus had an important role in the general ongoing transition from a Fordist-Keynesian regime of capital accumulation and welfare-oriented state redistribution policies toward a regime of more flexible accumulation and neo-liberal or conservative state policies. This shift to a more flexible regime with respect to labour markets, products and patterns of consumption has at the same time led to rapid alterations in the geography of the economy. Advanced capitalist countries, for example, have often experienced rapid deindustrialization with associated job losses, coupled with a rapid growth of employment in service sector activity. Economic opportunity in these countries is therefore much more closely tied to the ability to attract investment and employment opportunities within an increasingly flexible and footloose global production process. The shift

20 The Fordist accumulation regime is based on a particular combination of technical-organizational and socio-political characteristics - mass production of standardized goods in large vertically integrated production units organized around the assembly line - on one hand, and heavy regulatory state intervention on the other. The Fordist accumulation regime results in a quite specific built environment (e.g. large manufacturing plants functionally and spatially separated from housing, recreation and commercial spaces, and long distance transportation networks to minimize the production and marketing time). Flexible accumulation can be understood as being the result of global tendencies in capitalist society. With the crisis of mass production - falling profits and overproduction - new flexible technologies and production processes have been introduced based on the optimization of scope rather than of scale (e.g. Silicon Valley). These areas are characterized by decentralized production systems and highly flexible labour markets, locally integrated but organizationally disintegrated, specializing in particular market niches and using new mechanisms of shop floor organization - such as just in time - and labour management (Swyngedouw, 1989).
towards more entrepreneurial redevelopment policies and projects can thus be viewed as a component of the larger processes of revitalization, restructuring, world city formation and so forth.

According to some commentators the spatial reorganization of production that has occurred as part of the overall global restructuring of capital has led to urban policy makers being more concerned with their city's competitive position within the global economy. As Harvey (1989b) has noted, it is no longer the case that cities experiencing a competitive advantage can count on retaining that advantage for any extended period of time (Leitner, 1990). Given such a competitive environment, redevelopment as carried out in the 1970s was viewed as contributing to a decrease in the competitive ability of the urban area with respect to other geographical locations because of its greater focus on non-efficient redistributive policies.

The result today is that there is now a strong consensus among urban policy makers - local politicians, business groups and the financial sector - that urban governments have to be much more competitive, innovative and entrepreneurial, and willing to explore all kinds of avenues through which to alleviate any distressed conditions or promote further growth, thereby securing a better future for all their population (Harvey, 1989b). Put simply, the quality of urban life approach to redevelopment policies and projects typical of the 1970s has steadily given way to initiatory and entrepreneurial forms of action.

Most discussions of urban entrepreneurialism also follow three broad assumptions. The first of these is that the new entrepreneurial redevelopment has, at its centre, the notion of a "public-private" partnership in which traditional local boosterism is integrated with the use
of local state institutions to attempt to attract external sources of private funding and development, new direct investments or new employment sources. Public-private partnerships are normally agencies managed by non-profit, quasi-public development corporations, which have variously been called Downtown Development Authorities and Economic Development Corporations. When viewed in isolation, the achievements of these organizations have been significant in redeveloping and revitalizing central city areas, principally through a proliferation of projects that have leveraged additional capital investment for downtown convention centres, hotel complexes, high-income and specialty retailing areas, sports arenas and luxury housing developments (Smith, 1988).

The second assumption of entrepreneurial redevelopment activity is that the partnership is entrepreneurial precisely because the projects undertaken are speculative in design and execution, and that it is therefore dogged by all the difficulties and dangers associated with such activity. Entrepreneurial redevelopment projects in one city are in direct competition with much the same type of projects located in different locales and thus may not be able to secure the economic advantages for which they are planned and directed. The construction of office towers, convention centres and the development of tourist facilities, for example, does not guarantee associated economic activity. Another city may provide the same facilities under more competitive conditions or provide a further competitive advantage. This does not mean, however, that cities should not compete globally, but that such competition should be directed more towards the needs and opportunities of local conditions. Competitive cities should exploit particular advantages and simply seek to emulate other cities strategies. The formal rationale for these speculative developments is that
they will improve the overall well-being of the residents of the city in some direct or indirect fashion. Redevelopment aimed at specific economic, social or spatial problems in the city is relinquished in favour of a broader approach more concerned with the "health" or image of the city. Indeed, the imaging of the city through the organization of spectacular urban spaces has become a means to attract capital and people (of the right sort) in a period of intensified inter-urban competition (Harvey, 1989b).

The third assumption of entrepreneurial redevelopment is that it is much more closely focused on the political economy of place, rather than on the construction of territory. Past periods of redevelopment did focus more closely on the construction of territory in the sense that they incorporated projects that were primarily designed to improve the living or working conditions within specific jurisdictions or locales. Entrepreneurial redevelopment, however, tends to focus much more closely on the political economy and construction of place, in terms of the larger city as a whole, which may or may not provide economic and social benefits for specific territories or locales within the city. For example, the construction of place, such as a new civic centre or industrial park, or the enhancement of conditions within a place, such as intervention in local labour markets, usually does not benefit those segments of society that are not directly targeted by such projects (Harvey, 1989a). Urban entrepreneurialism thus encourages the development of the kinds of activities and endeavors that have the strongest localized capacity to enhance the tax base, increase the local circulation of revenues and, most desired, create employment growth.

Also, an integral part of the entrepreneurial-based strategy that growth coalitions have followed has been the attempt to focus local attention on the threat to the community imposed by forces external to the
city, such as mobile capital, other levels of the state, and competition from other localities. The overall process of contemporary restructuring facilitates this strategy by drawing attention to the interconnected and competitive nature of the advanced capitalist economy. Pro-growth coalitions are able to successfully mobilize local fears against the footloose nature of contemporary capitalist economic activity. It is, however, ironic that the very nature of activities for which pro-growth, entrepreneurial-based redevelopment strategies are attempting to compete contributes to, and reinforces, this fear of mobile and competitive capital.

Third, and perhaps most importantly, local pro-growth coalitions have successfully presented the image that all urban residents will materially gain from local economic development through such concrete benefits as new job opportunities, increased property values and a beautiful built environment. In the language of neo-conservatism, they are promoting economic growth for the whole, thus no one can be "against jobs". Some commentators, such as Halal (1986) for example, emphasize the positive and liberatory elements of the new entrepreneurialism as promoting conditions that might lead to an improvement in the social and economic position of all urban residents.

According to the critics of entrepreneurial redevelopment strategies, however, much of the vaunted "success" of these projects amounts to public subsidies for affluent consumers, corporations and industry to encourage them to stay in town at the expense of local collective consumption and redistributive policies directed at more marginalized or disadvantaged groups (Harvey, 1987). Because entrepreneurial projects reflect the agenda of urban business elites, they tend to have little impact on the central economic problems of urban areas; including, or example, inner-city
poverty, neighbourhood decay and shrinking quality employment opportunities (Levine, 1989). While entrepreneurial redevelopment strategies may be successful, at least in the short term, at attracting positive economic growth, they may also be unsuccessful. When they are unsuccessful scarce local resources have been consumed, with no overall benefit for urban residents, especially disadvantaged inner-city residents who could have benefited from the resources being targeted towards specific inner-city problems.

Implicit in such a growth-oriented model of urban redevelopment and politics which forms the basis for entrepreneurialism is the assumption that the benefits of growth in the private sector - stimulated and encouraged by public-private partnership - will trickle-down to the less advantaged central city residents. In this view, redistributive policies of any consequence are considered irrational and objectionable because they might involve increased taxation and other interference with the private sector, which in turn could be a disincentive to further growth and development (Dreier and Keating, 1990). It has been documented for some time, however, that the types of new economic growth targeted by entrepreneurial-based redevelopment projects do not provide sufficient social or economic benefits to disadvantaged inner-city residents (James, 1984). Entrepreneurial strategies have done little to improve living conditions for the majority of urban dwellers and, in fact, have often exacerbated inequality. In many cities, redevelopment has been associated with a "tale of two cities"; areas of revitalization surrounding pockets experiencing growing hardship (Levine, 1989: 25).

In these new urban spaces however, "health" has become equated with, and defined by, the goals and interests of financial capital and the
producers of the newly commodified spaces. Entrepreneurial-based redevelopment projects that have attempted to extend the overall health of the city have generally only worked to the advantage of capital without any real attempt to offset the conditions experienced by marginalized or disadvantaged central city residents (Smith and Feagin, 1987; Davis, 1988). The "successful" entrepreneurial redevelopment projects have often displaced or contributed to the displacement of the social and economic foundations of older inner-city communities and created new elite uses of urban space that are only superficially grounded in the past foundations of urban life:

In the process densely lived urban life has been reduced to the act of shopping in a pre-planned, risk-free, self-contained ensemble of stimuli designed to induce the regime of individualized consumption under the illusion of participation in the urban crowd (Smith, 1988: 149).

Poor people are now in fact double losers; they have the least to gain from infrastructure redevelopment, and much to lose from the choice of its location. A typical criticism of entrepreneurial redevelopment projects pertains to the disturbance and destruction of existing central city communities. Often traditional low-income housing is the most at risk, as these residents are often powerless to challenge expropriation orders and are unable to compete for resulting higher land rents. Disadvantaged urban residents can lose through the choice of location for entrepreneurial projects because such redevelopment often occurs within the inner-city, either within or adjacent to, an existing low-income residential neighbourhood, as these areas are often viewed as being the most in need of "revitalization" or redevelopment. Such redevelopment can initiate
severe pressure on the disadvantaged neighbourhood through increased rents, demolition of existing structures, the disruption of social networks and ways of life, and the removal of resources that may have been better used for targeting specific social and economic problems in the downtown area.

New economic growth associated with entrepreneurial redevelopment and revitalization has also tended to be two-tiered in its employment structure, with the first tier opportunities being high-paying professional, managerial or administrative jobs to which the disadvantaged are excluded. Second tier employment opportunities, to which the disadvantaged residents of the inner-city have some access, tend to be low-paying jobs in areas such as tourism, food and beverage services and retailing (Friedland, 1981). This creates a further dilemma for disadvantaged central city residents in that the low pay of service activity employment precludes living a great distance from the source of employment, but at the same time does not provide sufficient income to offset the higher inner-city rents that usually accompany entrepreneurial central city redevelopment.

Another critical perspective of entrepreneurial redevelopment and revitalization involves the associated lack of protest and political reaction that is directed at any negative consequences of such development. There are three principal, and mutually reinforcing reasons why successful challenges to entrepreneurial redevelopment projects and policies are so infrequent. First, the formation and implementation of such redevelopment projects have been largely insulated from the broader political discourse. The primary mechanism for accomplishing this insulation has been the use of private-public partnerships. Economic Development Corporations or Downtown Development Authorities, through their quasi-private nature,
are not directly responsible to the local government or electorate. Urban residents who are effected by redevelopment undertaken by these agencies often cannot engage in direct political protest - such as voting out an existing local government.

Entrepreneurial-based urban redevelopment contributes to an overly economistic and apolitical struggle by representing itself as serving the common good of all urban residents. In reality, however, such redevelopment shares in the production of conditions contributing to the successful social reproduction of only some segments of capitalist society while producing conditions that do not support the reproduction of other segments, such as disadvantaged inner-city residents.

Some urban theorists have argued that under certain social and political conditions, economic growth can be facilitated by expanding participatory and redistributive public policies and that within the structural limits that constrain urban policy making, local states can advance progressive policies without impeding economic growth (Dreier and Ehrlich, 1991). Conditions that would facilitate such growth through the expansion of participatory and redistributive policies have not been readily apparent during the current phase of restructuring and entrepreneurial redevelopment.
Chapter 4.0
THE RESTRUCTURING AND REDEVELOPMENT OF THE INNER-CITY AREA OF VANCOUVER

4.1 Introduction

It is the purpose of this chapter to describe in greater detail the salient characteristics of the contemporary restructuring and redevelopment processes as they apply to the inner-city area of Vancouver, BC. The approach taken in this study recognizes that while the larger forces of economic (capital) restructuring may be operating at a global or transnational level, they are ultimately played-out within a particular place or locale. It is at the local level that the forces of restructuring are contested, mediated and accommodated. This study will attempt to demonstrate that the primary processes contributing to the physical, political, social and economic transformation of the inner-city area of Vancouver during the 1980s have been redevelopment associated with the revitalization or recapitalization of capital, as it has been occurring with the broader global restructuring process. The current phase of development can be characterized as having an entrepreneurial component that is in some ways distinct from previous phases or periods of redevelopment and

\[21\] Many of the key developments in capitalism - class transformations, shifts in production modes, political struggles and so forth - begin in localized settings, from which their effects are transferred to society as a whole (Storper and Walker, 1989). Because 'the local becomes the global' it is particularly important to understand the features of the local economy, society and polity during specific spatial and temporal dislocations (Walker, 1990).
urban transformation. While the overall goal(s) of the redevelopment process can be argued as not having changed in any significant manner - it is still an attempt by both capital and the state to facilitate conditions conducive to the further accumulation of capital - the strategies pursued have been altered in response to the needs of restructured (or restructuring) capital.

In the context of Vancouver, both the city government and business elites have traditionally been very pro-growth (Gutstein, 1983). Up until 1968 the city council - charged with governing the city - was dominated by the Non-Partisan Association (NPA), who in turn were drawn from the city's business elite, particularly from the board of trade and real estate organizations. This arrangement resulted in a very "top down" approach to planning and development. Planning often involved simply the assembly of smaller pieces of land using public funds, with the larger piece then being turned over to private developers. During the 1950s and 1960s, both the city and local business became very interested in the 'urban renewal' movement being played out in other North American locations. A number of renewal strategies were proposed for Vancouver, including; a system of freeways, high-density apartment construction near the city centre, a new commercial centre in the downtown core, a third crossing of Burrard Inlet, and so forth.

In the inner-city neighbourhood of Strathcona, two projects (including a large public housing complex) were completed that resulted in the displacement of 3000 people and the clearing of sixty acres of land for industrial purposes. When further urban renewal was proposed for Strathcona, including the construction of a freeway through its the southern
edge, the residents of the area mobilized to halt the destruction of their
neighbourhood. The Strathcona Property Owners' and Tenants' Association
(SPOTA) was successful in lobbying the federal government to withdraw its
financial support from the freeway scheme, resulting in the collapse of the
project.

During the same time period, the economy of Vancouver was
beginning to undergo a major transformation. Although the port remained
important, industry in the city was in decline. The economy of the city
was being transformed into a national centre for service and
administration, particularly for overseeing the export of resources from the
forestry and mining industries (Gutstein, 1983). To a certain degree the
NPA vision of the city - one dominated by industry, big business and
freeways - was out of touch with these economic developments. It is not
surprising then that in 1968 the NPA received its first serious challenge to
power in the post-war era.

In 1968 The Electors' Action Movement (TEAM) - a coalition of
reformers and business elements - challenged the NPA with a platform that
advocated public participation in urban planning and government, public
housing, moderate growth, a livable city and rapid transit. By 1972 TEAM
had ended thirty-five years of NPA control of the city government in
Vancouver. Many TEAM members and supporters were drawn from the
newly emerging professional, technical and administrative labour force -
linking the political transformation of Vancouver with its economic
transformation. TEAM's challenge of the traditional commitment to growth
and boosterism, that had been such a major part of the NPA's development
strategy, led to a transformation of the Vancouver landscape, particularly within the inner-city (Ley, 1980).22

The apparently humane, socially progressive and aesthetic urban development sponsored by TEAM can be described in microcosm through the redevelopment of the South Shore of False Creek. This area was transformed from a decaying industrial area into a successful low-density, mixed-use residential and recreational development housing 3000 people. In a break with past NPA-promoted redevelopment, the local, federal and provincial levels of government were involved in the assembly, finance, planning and actual development of the site (Ley, 1980). The involvement of the local government allowed the City of Vancouver to dictate the land use of the development, rather than the private market. Great care was taken to ensure that the area would reflect the economic and social composition of the larger city. The result was a blend of market and non-market, family and non-family housing, surrounded by open space and parks.

The type of redevelopment projects undertaken in Vancouver during TEAM's tenure in government were made possible, in large part, by the fact that the 1970s were a time of almost continuous economic growth in Canada, resulting in a steadily expanding labour force (Ley, 1992). This growth allowed local government and business elites to focus on issues of

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22 TEAM was also essentially elitist, its policies were rarely compatible with criteria for social equity or even economic efficiency. Land use conflict often became centred upon residents attempting to impose their vision of the "livable city" onto urban development in the face of resistance by other groups. TEAM's activism on issues was, for example, geographically localized. Council policies initiated fifteen conflicts in westside planning districts (the source of its electoral strength), while initiating only three conflicts in the working-class eastern districts (Ley, 1980).
urban quality of life and livability rather than on strategies aimed directly at promoting economic growth. By the 1980s, however, the economic situation had changed dramatically. The early 1980s were a time of major economic discontinuity in Canada (as they were for much of the rest of the world), with the recession of this period being the deepest in fifty years. The results were high unemployment, inflation, a shrinking labour force and government retrenchment. Local governments and business in Vancouver became preoccupied - once again - with economic development initiatives (Ley, 1987).

Broadly speaking, this study will attempt to clarify the interaction between the larger mechanism of global capital restructuring and the more place-specific results of the mediation and accommodation of this larger force through the economic, social and political processes involved in the redevelopment of the downtown or inner-city area of Vancouver. This particular geographical unit was chosen - as opposed to the larger city or metropolitan region - because it is often the area where the greatest economic and social impacts of the restructuring and redevelopment processes tend to be felt (Knox, 1991) and because of an interest in the possible impacts on traditionally disadvantaged segments of the population who are generally concentrated within this area (Dear, 1981; Law and Wolch, 1991). Disadvantaged inner-city populations are also often the most in need of an increase in employment and living opportunities that the rhetoric of the contemporary redevelopment process promises, while at the same time appearing the most vulnerable to the revitalization and redevelopment processes themselves.
Any exploration of the redevelopment process within the inner-city area of Vancouver must first begin with an explanation or definition of what is meant by the term inner-city. Although there has been a certain amount of debate as to the exact definition of the inner-city within North American literature, there has been a certain amount of agreement within Canadian urban studies. Brown and Burke (1979) - working for the Canada Mortgage and Housing Corporation (CMHC) - interpreted the inner-city to mean the older central area(s) of a Census Metropolitan Area (CMA). Their definition included the central core or Central Business District (CBD), plus a surrounding band of mature residential districts composed usually of pre-World War II housing stock. Using this same basic definition of the inner-city area in Canada, Filion (1987a) has argued that attention should be directed to sectors where the attraction of the CBD is most strongly felt (i.e. that area within walking distance or a very short car or public transit journey from the CBD). In CMAs with a population of over one million, this would mean areas within approximately three kilometres of the CBD.

Bunting and Filion (1988) adapted Filion's definition to better reflect Brown and Burke's earlier usage by including both the CBD and the ring of older central-city neighbourhoods that surround the core - areas built up before the initial boom in post-World War II housing starts. Ley (1988) has continued to use these same general criteria, and they have also been

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23 The general concept of a census metropolitan area (CMA) is one of a very large urbanized core, together with adjacent urban and rural areas, which have a high degree of economic and social integration with that core. A CMA is defined as the main labour market area of an urban area (the urbanized core) of at least 100,000 population, based on the previous census (Bunting and Filion, 1991: 545).
adopted by the Canada Mortgage and Housing Corporation (CMHC). Ley considered the inner-city area to be defined by a combination of housing age - with a substantial proportion built before 1946 - and proximity to the CBD. Ley does not, however, define precisely what he means by "substantial" or "proximity", with the result being that his definition is large enough to include some of the older inner suburbs within the inner-city category.24

There are also some more general problems associated with the traditional CMHC definition of the inner-city with respect to Vancouver, particularly with reference to an inclusion of a substantial portion of pre-1946 housing stock. As Ley and others have demonstrated, there has been a significant degree of gentrification, demolition and rebuilding within the area defined by CMHC as the inner-city of Vancouver. These processes have led to a situation in which there are relatively low numbers of housing built prior to 1946, even in some neighbourhoods that have been traditionally considered part of the inner-city in Vancouver - particularly in the West End, Fairview and Mt. Pleasant (table 4.1). Although data is available only until 1985, it is likely that these trends have continued into the 1990s. With reference to another traditional definition of the inner-city within Canadian urban literature, Bourne (1990) has noted that Statistics Canada has defined the inner-city as that area which essentially corresponds to the particular Canadian city's central planning district. This definition is generally about one-fifth the size of the earlier CMHC

24 In the case of Vancouver this would mean the inclusion, for example, of neighbourhoods such as Point Grey, Kerrisdale, Oakridge, Grandview and Renfrew which are not as directly impacted by transformations in the downtown core as are more inner neighbourhoods such as Strathcona, the CBD and the West End.
definition used by Ley and others, and has been criticized as being unnecessarily restrictive. This definition, for example, only includes about three percent of the total CMA population in a city such as Toronto, leaving data highly susceptible to particular and unique events, including individual redevelopment projects such as the construction of a small number of public or luxury housing units.

Table 4.1 Dwellings Constructed Prior to 1946

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitsilano</td>
<td>9175 (55.0%)</td>
<td>7410 (38.6%)</td>
<td>7105 (35.2%)</td>
</tr>
<tr>
<td>Fairview</td>
<td>5715 (39.1%)</td>
<td>3545 (25.2%)</td>
<td>2865 (21.7%)</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>3935 (51.7%)</td>
<td>2900 (27.3%)</td>
<td>2655 (23.2%)</td>
</tr>
<tr>
<td>Strathcona</td>
<td>1520 (58.0%)</td>
<td>unavailable</td>
<td>2610 (50.1%)</td>
</tr>
<tr>
<td>CBD</td>
<td>965 (89.4%)</td>
<td>unavailable</td>
<td>2590 (74.4%)</td>
</tr>
<tr>
<td>West End</td>
<td>5255 (26.3%)</td>
<td>3355 (12.8%)</td>
<td>2915 (11.2%)</td>
</tr>
</tbody>
</table>

Source: Calculated by author from Statistics Canada - Census of Canada, 1971-1986

There is, however, a certain degree of usefulness to the inclusion of a city's planning districts within a definition of the inner-city area, as this allows for some comparative analysis of CMHC, Statistics Canada and city planning department data. The inner-city definition used in this study most closely conforms to the definition used by Brown and Burke (1979), the CMHC, and Ley (1988). In Vancouver, however, this corresponds closely with the City of Vancouver Planning Department's definition of its central planning area (which encompasses approximately ten percent of the total Vancouver CMA population) and includes the neighbourhoods (or local
planning areas) of Kitsilano, Fairview, Mount Pleasant, Strathcona, the CBD and the West End. Kitsilano is bordered by English Bay, Alma St., 16th Ave. and Burrard St. Fairview is bordered by False Creek, Burrard St., 16th Ave. and Quebec St. Mount Pleasant is bordered by Quebec, 16th Ave., Clark Drive and Great Northern Way. Strathcona is bordered by Burrard Inlet, Quebec, Great Northern Way and Clark. The CBD is bordered by Burrard Inlet, Georgia St., Burrard St., False Creek and Quebec. The West End is bordered by English Bay, Burrard St., Georgia and Stanley Park (figure 4.1).

Figure 4.1 Vancouver Inner-City Local Planning Areas and Study Area

Source: City of Vancouver Planning Department
Statistics Canada census tract divisions which conform closely to these neighbourhoods are then used to provide data relevant to the social and economic composition of the population of the inner-city area of the City of Vancouver (figure 4.2).

**Figure 4.2 Vancouver Inner-City Study Area and Representative Census Tracts**

![Map of Vancouver Inner-City Study Area and Representative Census Tracts](image)

*Source: Statistics Canada - Census of Canada*

In order to better illustrate those aspects of contemporary restructuring and redevelopment relevant to this discussion of the transformation of the inner-city area of the City of Vancouver it will be necessary to discuss aspects of globalization and restructuring applicable to Vancouver. Next, entrepreneurial strategies employed by the public and
private sectors in Vancouver will be examined in order to provide information as to whether contemporary redevelopment is in some way(s) different from previous phases. These areas of inquiry will be integrated into a discussion of the dual and contradictory nature of entrepreneurial redevelopment within the inner-city of Vancouver with regard to its spatial or geographical impacts upon existing residential populations in the area. Some of these resulting patterns of redevelopment and inner-city transformation will then be analyzed in order to investigate possible links between entrepreneurial redevelopment strategies and urban disadvantage/deprivation within the inner-city neighbourhoods of the City of Vancouver.

4.2 Restructuring and the Growth in Importance of Vancouver Within the Global Economy

Theorists of urban restructuring have focused on many areas of the emerging global economy in order to provide an operational definition of restructuring that is analytically useful with reference to the contemporary urban transformation. Chandhoke (1988), for example, describes the restructured economic base of the contemporary city as focused on the service economy with the accompanying changes that this entails. "Contemporary cities in the advanced capitalist world, have become the arenas of control-structures of corporate management and structures of knowledge (R and D). They are supported by intermediate firms, services and access to services " (Chandhoke, 1988: 1757). Others, such as Ley
(1988), point to the continuing decentralization of industry and population, expansion of downtown office space and widespread residential changes which include gentrification and redevelopment.

It should be realized that these attempts to provide an analytical framework for the study of urban restructuring are to a certain extent place specific, even though restructuring is itself a more global phenomenon - at least within advanced capitalist countries. It is thus necessary for any study of contemporary urban restructuring in downtown Vancouver to identify those more global aspects of restructuring that are operating in and mediated at the local level. These aspects of restructuring will by no means be unique to this city, although a certain combination or patterning of urban restructuring may be occurring here that is somewhat different from how it is being played out in other locales. An analysis of urban restructuring within Vancouver should thus reflect generalizations about restructuring and its global nature, as well as providing detail as to the local specificity of these processes.

The first aspect of restructuring and globalization to be examined will be changes in employment by industry that have occurred in the inner-city area during the past twenty years. Employment shifts in the primary sector, manufacturing, construction and transportation, wholesale and retail trade, FIRE activities (finance, insurance and real estate), government administration, and other services will be compared for each of the census tracts within each inner-city neighbourhood. These data will also be compared with that of the overall Vancouver Census Metropolitan Area (CMA) in order to help distinguish the inner-city area with respect to the operation of restructuring. Particular attention will be paid to rates of
change, in terms of numbers employed, within the primary/manufacturing sector and the finance, insurance and real estate sector, as well as the overall growth of the service sector (especially business services). Changes in employment by industry - especially with respect to declines in primary and secondary employment and increases in FIRE and service sector employment - have been a primary consideration of past analyses of urban restructuring, particularly in Murgatroyd and Urry's (1983) analysis of the restructuring of the local economy of Lancaster, Soja, Morales and Wolff's (1983) study of restructuring and globalization in the Los Angeles basin, and Fainstein and Fainstein's (1989) examination of restructuring and urban transformation within New York's Manhattan Business District. It is also interesting to note that the rapid growth of the business services sector was also identified by Friedmann (1986) as an important criteria in his world or global city formation hypothesis.

Almost all explorations of urban restructuring also make reference to the expansion and concentration of command and control functions - along with associated services - within cities experiencing restructuring. Again, Soja (1989) makes reference to this fact in his study of Los Angeles, and Knox (1991) makes the same claim in his analysis of the economic and socio-structural transformation of metropolitan Washington, DC. For the study of urban restructuring and transformation in downtown Vancouver, the expansion and concentration of command and control functions, along with associated services, in the inner-city will be examined through an exploration of the growth and spatial concentration of certain representative companies and businesses involved in the functions of property management, commercial real estate and urban land development,
business services, producer services, and financial services. The concentration of command and control functions within the inner city area of Vancouver is also a useful measure of the city's status within the global economy and the city's increasing importance within the Pacific Rim area.

The third aspect of urban restructuring that will be analyzed in this study is the segmentation and polarization of the labour market. An examination of this factor will allow for information to be presented as to whether or not a dual labour market is emerging. Fainstein and Fainstein (1985) and Soja (1989) point to segmentation by occupation and income as being an important indicator of urban restructuring. To this end sectoral changes in occupational structure will be examined for both the inner-city area and the larger CMA of Vancouver. Of particular interest will be the categories of managerial and professional occupations, clerical and service occupations, and what will be referred to as "blue collar" occupations. Urban restructuring is associated with providing increased

25 A representation of command and control functions along with their related service activities is adapted from Hutton and Ley's (1987) analysis of the critical role of a complex of corporate activities in propelling downtown and some metropolitan economies, and Ley and Hutton's (1987) work on the corporate complex and producer services sector within metropolitan core of Vancouver, BC. While the methods used may not provide a complete picture of this sector - they do not, for example, differentiate between firms of different sizes - they can provide some indication of the overall trends at work within the inner-city area of Vancouver.

26 Formulations of a dual labour market differ, but they share a reference to a division of society into two parts, one doing well and one doing poorly, and make an implicit call for the inequality to be evened out. It has been suggested that there are a number of points wrong with this concept. It suggests, for example, a continuum along a single axis (consumption) with a quantitative rather than a qualitative division between the parts; it is ahistorical, obscuring change; it mischaracterizes the majority of the population; it obscures the role of racism; it supports the conclusion that redistribution is the answer rather than changing the causes; and it distorts the perception of the coalition that may be formed to deal with it (Marcuse, 1989).

27 Managerial and professional occupations will include the Statistics Canada occupation groupings of managerial, administrative, teaching, medical and health, sciences (both
employment in both high-paying managerial and professional occupations and in low-paying service occupations. At the same time, theorists of urban restructuring also note the associated decline in blue collar occupations in advanced capitalist cities that have experienced, or are experiencing, restructuring.

Along with an examination of the hypothesis that restructuring is contributing to a polarization of occupational sectors within the inner-city area of Vancouver, this study will examine whether or not it is contributing to any associated polarization and segmentation of household income levels, both between and within inner-city neighbourhoods. To accomplish this task median and average household income level change in each of inner-city neighbourhoods in Vancouver will be examined and compared to median and average household income levels for the overall CMA. This will give some indication as to whether or not spatially distinct patterns of household income distribution are apparent between the different neighbourhoods of the inner-city. As well, household income will be examined in terms of possible polarization within each of the inner-city neighbourhoods through the construction of a crude index of skewness, a method that Bourne (1990) found useful in his examination of income and poverty in metropolitan Toronto. An index of skewness as a measure of income polarization within inner-city neighbourhoods will be calculated by subtracting median household income from average, dividing the result by

natural and social), religion and artistic and literary occupations. Clerical and service occupations will include the occupation groupings of clerical, sales and services. Blue collar occupations will include the groupings of farming, fishing, forestry, mining, processing, machinery, fabrication, construction and transportation, as these groups are relevant to the occupational structure of some inner-city neighbourhoods in Vancouver, particularly Strathcona and the CBD.
median income, and multiplying by one hundred in order to provide a percentage. The higher the resulting percentage, the higher the incidence of possible polarization between high-income and low-income households within the neighbourhood. Finally, a brief examination of the incidence of low income households (both individual and family) based on Statistics Canada's definition of the minimum income needed to sustain a household in the study area will be included.

4.3 **Entrepreneurial Redevelopment in Downtown Vancouver**

Harvey (1985a, 1987, 1989a) has alluded to the fact that there are many entrepreneurial strategies that can be pursued by local states, capital and labour, and that within any one urban area there is likely to be some combination of these factors at work - much like the processes of urban restructuring. This again makes it necessary to attempt to analyze only those aspects of entrepreneurial redevelopment most relevant to urban restructuring within the inner-city area of Vancouver.

The first aspect of entrepreneurial redevelopment to be explored in this study will be competition within the international division of labour, through the creation or exploitation of particular advantages for the production of goods and services. Of prime importance in this area will be Vancouver's ability to compete within the international commodity trade, the city's role as a centre for the export of service activities on both a national and international level, and the provision of a labour force suitable to the needs of restructured capital. In short, answers will be
sought for whether the city been able to attract suitable employment - and the composition of that employment - at a rate that results in a net gain in employment opportunities within the City of Vancouver and the inner-city area during this period of restructuring. Successful competition within the international division of labour also involves improved physical infrastructure provision, with close attention to productive forces, and investments in the social infrastructure - education, science, technology - that improve the general urban 'climate' as a centre of innovation. Many of these factors involving Vancouver's competitive position within the international division of labour can also be linked to the position of the city within a network of global or world cities as hypothesized by Friedmann (1986).

Secondly, redevelopment in terms of improving the city's competitive position within the spatial division of consumption will be analyzed (specifically in terms of tourism). This can be done through an examination of the numbers of visitors and revenue provided by them over the time period of this study. It should be noted, however, that redistribution through increased tourism, while of great importance, is not the only component of competition within the international division of consumption that should be considered. An increase in the number of hotels located within the inner-city area - and the extent of foreign ownership - could also provide useful data on this aspect of entrepreneurial redevelopment. The number of convention facilities and attendees attracted to the city could also provide information on the extent of entrepreneurial redevelopment in the downtown area that has been directed at improving Vancouver's position within the international division of consumption. Of
importance to restructuring will be the distribution of such redevelopment
and its associated impacts on inner-city residents. The discussion of
competition within the spatial division of consumption will necessarily
result in a discussion of the construction of spectacle and event— in
particular BC Place, Expo 86, Canada Place, etc. - and the role of the state
in assisting in entrepreneurial redevelopment projects.

Finally, entrepreneurial redevelopment within downtown Vancouver
will be analyzed in terms of competition for command and control
functions, especially through an examination of infrastructural provision
involving the construction and location of office, commercial and industrial
space, along with associated rental and vacancy rates. This section will
provide information as to possible links between the spatial distribution of
such infrastructure provision and its differing geographical impacts on the
inner-city neighbourhoods of Vancouver.

4.4 Measures of Deprivation and Disadvantage Within the Inner-
City of Vancouver

This section will begin by examining traditional measures of inner-
city disadvantage or deprivation in terms of their relevance to
contemporary restructuring and entrepreneurial redevelopment in
downtown Vancouver. Herbert (1975) has defined disadvantaged
households as being those which contain people least able to compete in the
three major competitive markets of housing, employment and education.
His measures for these areas include; number of households living in
substandard housing, levels of unemployment and levels of educational attainment. In a later study, Sim (1984), has argued that measures of urban disadvantage or deprivation should include unemployment, overcrowding, numbers of single-parent families, households lacking or sharing amenities, concentrations of ethnic minorities, population decline, pensioners living alone, and mortality rates.

While the broad concept of household ability to compete in the housing, employment and educational markets is analytically useful, these studies of urban deprivation in the United Kingdom do not, however, correspond completely to possible measures of disadvantage or deprivation resulting from contemporary restructuring and redevelopment. While measures of unemployment and educational attainment may be directly related to the restructuring hypothesis, measures such as mortality rates and overcrowding are much more difficult to link to the processes of restructuring.

American studies of urban disadvantage and poverty have also followed the same basic principles as established in the British studies, specifically; how do households compete in the areas of employment, housing and education. Wilson (1987) established as criteria for measuring disadvantage in these areas the levels of unemployment, concentrations of ethnic minorities, numbers of female-headed families and income or poverty levels. Hughes (1989) adapted these criteria to include numbers of single parent families, percentage of unemployed (both male and female), households whose prime source of income was through government assistance, and households with members who had completed no high school education.
Turning to explorations of disadvantage and deprivation in Canadian urban areas, Broadway (1989) established criteria that included male unemployment levels, female unemployment levels, families and individuals living below the government established "poverty line", and a special area of vulnerability which included female-headed families and persons over sixty-five years of age. More recently, Bourne (1990) has used simply levels of households income as a surrogate measure of urban deprivation and poverty in a study of inner-city Toronto.

As the purpose of this study is to link the larger processes of restructuring and redevelopment with place-specific impacts and outcomes within the inner-city area of Vancouver, this section will also explore what is happening to those people least able to compete in the major competitive markets of housing, employment and education. Also, this study will attempt to highlight those already in disadvantaged circumstances and those vulnerable to becoming so. While issues such as ethnicity, race and gender are also important to studies of restructuring and urban disadvantage, a comprehensive examination of such issues is beyond the scope of this particular study. Each of these variables requires its own study, and as such I will not attempt to include them.

This study will use the following basic indicators or measures of urban disadvantage or deprivation as outlined by Herbert et al, but will focus only on those aspects of disadvantage and deprivation that are most strictly relevant to restructuring and redevelopment in downtown Vancouver. In terms of measuring ability to compete in the housing market, rent increases over the time period of this study for each of the inner city neighbourhoods and the larger CMA will be compared with
increases in household income levels, thus providing some indicator of the households competitive ability within the housing market. Analysis of ability to compete in the employment market will focus on three main areas. The first is the percentage of the employable population actually in the work force. Secondly, unemployment levels for each of the inner city neighbourhoods relative to the larger CMA will be examined. Third, poverty levels for both individual and family households will be examined, along with a discussion of primary sources of income. Ability to compete within the category of education will be explored through a best case/worst case scenario. Data will be provided indicating the numbers of residents in each of the inner city neighbourhoods and larger CMA with less than a grade nine education and those with a university degree. The final measure of possible deprivation and disadvantage to be examined will follow Broadway's vulnerability category. Here, the numbers of single-parent families and percentage of the population sixty-five years of age and older will be examined.
Chapter 5.0

RESTRUCTURING AND THE TRANSFORMATION OF

DOWNTOWN VANCOUVER

5.1 Introduction

It is the purpose of this chapter to provide an examination of some important aspects of the restructuring process as it is currently being played out within the inner-city area of Vancouver. Of particular interest will be changes in the employment structure of the inner-city area, especially any increases in employment in the finance, insurance and real estate (FIRE) and service industries, along with any associated declines in employment levels in primary and manufacturing industries. Employment in the eight basic industrial categories assigned by Statistics Canada will be examined for each of the six neighbourhoods that compose inner-city area of Vancouver. These figures will be compared to the overall Census Metropolitan Area (CMA) industrial employment totals in order to provide some comparison of the differential impacts of the restructuring process on the inner-city area as compared with other locales in the overall Vancouver metropolitan area.

28 Industrial categories follow the standard Statistics Canada definitions. For the sake of easier computation and analysis the first four divisions; agriculture, forestry, fishing and trapping, and mining have been grouped together under the category of primary industries. Other industrial categories followed the Statistics Canada divisions, and include; manufacturing, construction, transportation, wholesale and retail trade, FIRE, community, business and personal services, and public administration or government services.
This chapter will then examine changes in employment by industry in the inner-city and overall CMA areas. Of special interest will be any indication that the managerial, professional, clerical and service sectors have been increasing in importance in terms of the overall employment structure in the inner-city area - or even in the larger CMA. At the same time, changes in employment by industry will be examined for evidence that any increases in the previously mentioned sectors have been accompanied by a decrease in the "blue collar" sectors - for example, primary, manufacturing, processing, or fabricating employment.

Associated with a discussion of employment change by industry will be an examination of the growth and concentration of producer and business services within the downtown area of the City of Vancouver. Here, representative activities will be examined in order to determine whether or not there was both significant growth, and (continued) concentration of such activities in the inner-city area of Vancouver. The growth and concentration of control functions and their associated services through the 1980s would be indicative of a restructuring of the Vancouver economy.

Finally, this chapter will examine whether or not there is evidence in the inner-city area of Vancouver for the restructuring-based hypothesis that changes in sectoral employment - in terms of a polarization of occupations - has in any way contributed to the polarization of income levels for different segments of the urban population. Again, the findings for the inner-city will be compared with data for the overall CMA in order to differentiate the inner-city area - or some of its member neighbourhoods - from the rest of the Vancouver CMA in terms of the impacts and operation of the restructuring process.
5.2 Shifts in Employment by Industry in the Vancouver CMA and Inner-City Area

Employment in the Vancouver Census Metropolitan Area (CMA) has become dominated by the business, consumer and producer service categories. As hypothesized in the literature, this was to be expected if the area had indeed been experiencing restructuring. These categories are followed in importance by employment in the wholesale and retail trades. While manufacturing employment is declining, it is still a significant component of the overall industrial structure of the Vancouver CMA (figure 5.1). These three dominant trends have remained constant throughout both the 1970s and 1980s with respect to the employment structure of the overall CMA, with the largest growth occurring in the service industries. Employment in the primary industries, while being last in terms of overall numbers employed, showed some modest gains through the 1980s. The same was true for the construction and transportation industries, where relatively minor gains were experienced. The finance, insurance and real estate (FIRE) industries also experienced gains in overall employment through the 1970s and 1980s - another common indicator of restructuring. Manufacturing industries were in fact the only employment sector to demonstrate overall losses in CMA employment in the 1980s.

As stated, service industries are of the greatest importance to overall CMA employment, with just under forty percent of all workers employed in these industries by 1985, as compared with just under thirty percent in 1970 (figure 5.2). Of secondary importance are the wholesale and retail trade industries, accounting for nearly twenty percent of the total CMA
employment, a figure that has remained fairly constant from 1970 to 1985. Manufacturing industries, at approximately thirteen percent of the total CMA employment, are the third most important source of employment in the Vancouver CMA, although they have been declining steadily in overall importance through the 1970s and 1980s. Government administrative employment also increased from 1970 to 1980, but has shown a slight decline through the period 1980 to 1985. FIRE industries have shown an overall small increase in importance in terms of overall employment in the
CMA through the 1970s and 1980s - from approximately seven to nine percent. This small increase is not consistent with what might be expected given the literature on restructuring and professional and administrative employment growth. Both the transportation and construction industries have declined in importance in terms of overall CMA employment throughout the 1970s and 1980s. The primary industries have been the
least important source of overall employment in the Vancouver CMA throughout the 1970s and 1980s, making up only two to three percent of total employment.

Of great importance to this discussion of restructuring and the relative importance of each industry to overall employment levels in the Vancouver CMA is whether these same patterns are reflected in the employment structure of the inner-city area as well, or are there significant differences in the importance of various industrial categories.

There are some similarities, as well as striking differences, between the employment structure of the overall Vancouver CMA and the smaller inner-city area. The first point of interest is that once again the most important industrial categories in terms of total employment are the business, consumer and producer services (figure 5.3). These industries have been steadily increasing in total numbers of workers through both the 1970s and 1980s - much as they were for the larger CMA. The second most important industry in the inner-city in terms of overall employment numbers, through both the 1970s and 1980s, is the wholesale and retail trade. The third most important employer in terms of absolute numbers in the inner-city area of Vancouver has shown some variation in time between the 1970s and 1980s. In the 1970s both the manufacturing and transportation industries vied for this position. However, in the 1980s both of these industries have been surpassed in total employment by the finance, insurance and real estate industries. This shift is, perhaps, an indication of restructuring within the inner-city area of Vancouver.
There are also some interesting trends in employment by industry in the inner-city area of Vancouver in terms of the relative importance of each industry as a percentage of the total employment over the time periods examined. In general, inner-city employment is even more dependent on service industry activity than is the overall CMA (figure 5.4). In fact, other than the very large increases in service industry employment (from under forty to over fifty percent), all other employment categories in the
inner-city area of Vancouver have declined - in relative terms - through the period 1980 to 1985, including employment in the FIRE industries. If restructuring has indeed occurred in the inner-city area a decline in employment in the primary, manufacturing, construction and transportation industries would have been expected. A decline in employment in the wholesale and retail trade and the FIRE industries would not, however,
have been anticipated. What is probably at work here is the recession experienced by Canada in the early 1980s, the deepest in this country in fifty years. It is interesting to note, however, that in spite of this recessionary period employment in the business, consumer and personal service industries continued to grow in the inner-city area of Vancouver.

Up to this point this discussion of restructuring and employment change in Vancouver has focused on broad, overall trends for both the larger CMA and smaller inner-city area. Such an approach can hide interesting and important spatial variations in changes in employment structure, particularly if the entire inner-city area is treated as a homogenous geographic, social and economic structure. The remainder of this section will attempt to examine any variations or transformations in employment structure within the inner-city by exploring employment by industry within each of its component neighbourhoods.

In 1970 the inner-city neighborhood of Mt. Pleasant, Strathcona and the CBD contained a higher proportion of employment in the primary and manufacturing industries than found in the other inner-city neighbourhoods (figure 5.5). In terms of manufacturing employment, both Mt. Pleasant and Strathcona experienced higher proportions than the inner-city average, while the CBD and the West End experienced lower than average levels. Mt. Pleasant, and to some extent the CBD contained a higher than average proportion of people employed in the construction and transportation industries while Strathcona experienced lower than average employment in these. Strathcona, and to some extent Mt. Pleasant, had lower than average proportions of people employed in the finance, insurance and real estate industries. All of the inner-city neighbourhoods, except for Mt.
Pleasant, contained percentages of service employment approximately equal to the inner-city average. Mt. Pleasant was significantly lower in this

![Figure 5.5 Vancouver Inner-City Neighbourhood Employment by Industry, 1970](image)

\[\text{Source: Calculated by Author from Census of Canada. 1971 (see table A.1)}\]

regard, with approximately twenty-nine percent of its residents employed in these industries, as opposed to about thirty-eight percent on average for the rest of the inner-city areas. In terms of employment in government administrative services, all of the inner-city neighbourhoods were close to the average proportion of inner-city employment in this category, except for the CBD which was slightly lower.

In summary, service industry employment in the inner-city area of Vancouver in 1970 was important to all neighbourhoods, as might be expected in an area that has begun to be impacted by the processes of restructuring. Employment in FIRE industries makes up a smaller, but also important, component of the inner-city employment structure in all neighbourhoods except for Mt. Pleasant and Strathcona. Evidence against
the restructuring hypothesis in these two neighbourhoods is supported by
the continued relative importance of primary and manufacturing industries
to the employment structure of residents Mt. Pleasant and Strathcona - this
pattern is also true to a lesser extent for the CBD.

In general, inner-city employment patterns demonstrate little change
through the 1970s into the 1980s, although there were a few interesting
exceptions. For example, the overall trend was for a decline in traditional
blue collar employment industries such as the primary and manufacturing,
construction and transportation industries, along with an increase in
employment in the producer, business and consumer service industries.
What is interesting in terms of employment change by industry in the
inner-city is the rate of change between the different neighbourhoods. For
example, proportional employment in the primary and manufacturing
industries has declined in all of the neighbourhoods, but still remains an
important source of employment in Strathcona and Mt. Pleasant, as well as
the CBD to a lesser degree (figure 5.6).

The proportion of employment in the construction and transportation
industries remained at levels much the same as they were in the 1970s.
Employment in the wholesale and retail trades declined during this time
period, although percentage employment in these industries remained
higher than average in both Mt. Pleasant and Strathcona. Although the
FIRE industries experienced an absolute increase in total employment
between 1975 and 1980, the Mt. Pleasant and Strathcona neighbourhoods
remained underrepresented in employment in these industries. The
percentage of workers in the service industries increased in all of the inner-
city neighbourhoods during the period 1975 to 1980, with the largest
increase being experienced in the Mt. Pleasant neighborhood - even though
this area remained at below average levels of employment in these industries. Employment in government administration remained relatively unimportant in the inner-city between 1975 and 1980, although measurable growth in percentage employed was experienced by both Kitsilano and the West End.

During the period 1970 to 1980, it appears that restructuring has been occurring in the inner-city area of Vancouver at differing rates, and with different impacts, within each of the area's component neighbourhoods. Service industries continued to grow in relative importance in all neighbourhoods. The growth in importance to overall employment by the FIRE industries was, however, much more spatially varied within the inner-city area. Kitsilano, Fairview and the West End continued to have service industry employment representing a more important component of
their total employment structure, relative to employment in the primary and manufacturing industries. The situation in Mt. Pleasant, Strathcona and, to some degree the CBD, was much the reverse over this time period. In these neighbourhoods employment in the manufacturing and primary industries continued to be of a higher relative importance than employment in the FIRE industries.

Moving on to a discussion of more contemporary revitalization, restructuring, this study will now examine changes in employment by industry in the inner-city area of Vancouver between 1980 and 1985. The general trend is, again, for employment in the primary, manufacturing, construction and transportation industries to decline. At the same time there is a corresponding growth in employment in the business, consumer and producer service industries (figure 5.7). Declines in percentages of the work force employed in primary and manufacturing industries occurred in all inner-city neighbourhoods, except for Mt. Pleasant and Strathcona where small increases in both absolute numbers and percentages of the labour force employed in these industries were experienced - a result that provides evidence against the restructuring process being active in these neighbourhoods. Proportional employment in the transportation and construction industries continued to decline during this time period, with both industries remaining underrepresented in Strathcona. Absolute numbers employed in the FIRE industries also declined during the period 1980 to 1985, by some six hundred workers. This led to a decrease in importance in terms of percentages employed in these industries in all the inner-city neighbourhoods except for Kitsilano, where there was an increase in overall numbers and a small increase in percentage of the labour force. As stated, employment in the service industries increased in all of the
inner-city neighbourhoods of Vancouver between 1980 and 1985. The largest increases were experienced in Fairview, the CBD and the West End.

The smallest increases were found in Kitsilano, Strathcona and Mt. Pleasant. Employment in government administration continued to decline both in absolute and relative terms. The one exception to this trend was found in the CBD where the percentage of the labour force employed in government administration grew by almost three percent.

Overall, the growth in importance of the service industries to the employment structure of all the inner-city neighbourhoods in Vancouver over the time period 1970 to 1985 suggests that restructuring has indeed been occurring in the inner-city area. This view is both supported and denied by evidence from the inner-city neighbourhoods regarding the
relative importance of the FIRE and primary and manufacturing industries to employment in these areas. The neighbourhoods of Kitsilano, Fairview and the West End have experienced a decline in importance in the primary and manufacturing activities along with a corresponding increase in the relative importance of employment in the FIRE industries. On the other hand, in the neighbourhoods of Strathcona, Mt. Pleasant, and to some extent the CBD, primary and manufacturing employment has remained relatively important, while employment in FIRE activities has been less so. While no logic would suggest that there should be a uniform rate of change through each of the inner-city neighbourhoods, the fact that there is variation will be of importance to the discussion of urban disadvantage later on in this study. This study will now turn to a discussion of the growth and spatial concentration of producer and personal service activity in the downtown area of the City of Vancouver as an indicator of restructuring.

5.3 The Growth and Spatial Concentration of Business, Consumer and Producer Services in Downtown Vancouver

This section will focus on determining whether there was indeed both growth and spatial concentration in the activities suggested as being representative of economic activity within the downtown area of the City of Vancouver during the 1980s (see Ley and Hutton, 1987). This will focus only on activity within the inner city, excluding the larger CMA.29

29 For a description of the relationship between the location of business, consumer and producer service activity in the inner-city and larger Vancouver CMA see table A.4.
From the information provided by figure 5.8 it would appear that an argument for the growth of certain economic activities in the inner-city area of Vancouver can be made. Financial activity, which has often been identified as being one of the main areas of command and control activity within restructured urban areas, has enjoyed both strong growth and geographical concentration in the downtown area of Vancouver. There has been a large increase in the number of banks having regional headquarter offices in the downtown core between 1979 and 1989, when their numbers grew from twenty to forty-six. Included in this total are the offices of thirty-five foreign banks - including six Japanese, three American, two from Hong Kong, two Swiss, and numerous others from around the Pacific Rim and Europe (Business in Vancouver, 1991). Investment management services have also enjoyed strong growth through the 1980s, with the number of firms engaged in this activity in the inner-city increasing from

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*Source: Calculated by Author from Contacts Influential Marketing Inc. (see table A.4)*
eighteen to seventy. Financial planning services also experienced strong
growth through the early and mid-1980s in the downtown core, increasing
from thirty-six to one hundred and thirty. Firms engaged in property
management, and located in the inner-city area, have grown from fifty-one
in 1979 to one hundred in 1989.

Besides the large increases in the numbers of firms participating in
business, consumer and producer service activity in the downtown area of
the City of Vancouver during the 1980s, there has also been a
responding continued - and in some cases deepening - spatial
concentration of these activities in the inner-city area (figure 5.9). Again,
financial service activity has been particularly concentrated within the
inner-city area of Vancouver. Bank headquarters, for example, are
completely located in the downtown core. Investment management services
have also been traditionally concentrated in the inner-city, with eighty-nine
percent of such activity located in this geographic area in 1989. The inner-
city concentration of financial planning services has declined slightly
through the 1980s, but fully seventy-three percent of all such activity in
the Vancouver CMA is located in the downtown core (table A.4). Property
management services have also become concentrated in the inner-city area,
with over sixty percent of all Vancouver CMA firms engaged in this
activity located in this area. another activity that has experienced both
strong growth and concentration within the downtown area of the City of
Vancouver is land development services. The number of such firms
increased by fifty-two in the period 1979 to 1989, and seventy percent of all
such firms are now located within the inner-city area (table A.4).
In summary, it is clear that the inner-city area of the City of Vancouver has indeed been experiencing a growth and concentration of business, consumer and producer service activity. From the literature, such growth and concentration of these types of economic activity can be indicative of an area experiencing restructuring. It will now be necessary to turn to the exploration of another restructuring-based hypothesis - that of the possible segmentation and polarization of the inner-city labour market due to shifts in economic activity - in order to attempt to determine whether shifts in economic activity (such as growth in business and producer services) in downtown Vancouver have had any spatially distinct outcomes with respect to each inner-city neighbourhood.
5.4 The Segmentation and Polarization of the Inner-City Labour Market in Vancouver

Along with a transformation in the employment structure in downtown Vancouver it can also be expected from the literature that contemporary restructuring and redevelopment have contributed to, and been reinforced by, a polarization in the labour force in terms of quality of jobs available and skill levels necessary. In order to explore this hypothesis it is first necessary to compare the occupational structure of the labour force of the larger CMA of Vancouver with its smaller inner-city area.

The Vancouver CMA experienced significant growth in clerical and service occupations through the 1970s and 1980s, with an increase of over one hundred and fifty thousand jobs in total (figure 5.10). Managerial and professional occupations also increased during this time period by almost the same amount. Blue collar occupations also increased over the period 1970 to 1985. From 1980 to 1985, however, the total number of workers employed in blue collar occupations decreased slightly. The continued increase of clerical, service, managerial and professional occupations would be expected if the economy of the Vancouver CMA was truly engaged in restructuring during the 1980s. The restructuring hypothesis is also supported by the corresponding decline in blue collar employment through this same time period.

The shift in the occupational structure of the Vancouver CMA can also be documented in a different fashion, through an examination of the importance of each occupation sector relative to the overall structure of the
labour force. This process may yield a better understanding of restructuring as it impacts the various labour force occupations. An interesting picture emerges when changes in occupation structure as a percentage of the labour force are examined. Clerical and service occupations, as a percentage of the total labour force, demonstrate a slight decrease - approximately two percent - from the 1970s to 1980 (table A.5 and A.6). Since 1980, the numbers employed in these occupation sectors as a percentage of the total labour force has remained almost constant. Blue collar occupations have steadily declined through the 1970s and 1980s from a high of almost twenty-eight percent in 1970 to a low of just over twenty-one percent in 1985 - a possible indicator of the restructuring process.
While the decline in blue collar occupations has been steady, it should be noted that they are still an important component of the occupational structure of the overall Vancouver CMA labour force. The importance of managerial and professional occupations to the overall employment structure in the CMA has grown steadily through both the 1970s and 1980s - again, a possible indicator of restructuring. Indeed, growth in the managerial and professional occupations - from nineteen to twenty-nine percent of all occupations - has nearly mirrored the decline in blue collar occupations.

It is now necessary to compare changes in occupational sectors in the Vancouver CMA with shifts in the occupational structure of the inner-city area. Like the larger CMA, clerical and service occupations grew in numbers through the 1970s. While they have remained high throughout the 1980s, there was, however, a decrease of about one thousand in the total employed in this sector between 1980 and 1985 (figure 5.11). The managerial and professional sector also grew in terms of absolute numbers employed through this same time period, but at a slower overall rate than that of the larger CMA. Blue collar occupations declined, much as they did in throughout the whole CMA. The sustained importance of clerical and service occupations, along with the increasing importance of managerial and professional occupations and the decline in blue collar occupations does, however, support the hypothesis that restructuring has been taking place within the inner-city area of Vancouver.

An examination of the relative importance of changes in occupation as a percentage of the total labour force tells a somewhat different story than that of absolute changes in the numbers of workers in each occupation category. The inner-city area of Vancouver is very dependent on service
and clerical occupations for employment. Up to sixty percent of all workers in this area in 1985 were employed in these occupational sectors (table A.7). This has led to a much more unbalanced occupation structure in the inner-city as compared to that of the overall CMA. Although managerial and professional occupations have also been increasing in importance, they are a distant second to clerical and service occupations - twenty-three percent of the inner-city labour force is involved in managerial and professional occupations, compared to almost sixty-one in clerical and
service occupations. It is also interesting to note that the inner-city is even less dependent on managerial and professional occupations for employment than is the larger CMA - twenty-three percent (ICA) versus twenty-nine percent (CMA). Blue collar occupations in the inner-city area have, much as in the overall CMA, been decreasing through the 1970s and 1980s. Blue collar occupations are, however, of even less importance to the labour force in the inner-city than in the CMA. Overall, the CMA labour force is composed of over twenty-one percent blue collar occupations, while there are only thirteen percent in the inner-city. This discussion will now turn to an exploration of the occupational structure of each of the inner-city neighbourhoods in order to determine whether there are spatial variations to the restructuring-generated shifts in the labour force being experienced in the inner-city area of Vancouver.

When the different neighbourhoods that compose the inner-city area of Vancouver are compared with each other, some even greater differences become apparent than those found between the CMA and the inner-city. For example, in 1970 managerial and professional occupations were of above average importance to the labour force in Kitsilano, Fairview and the West End (figure 5.12). At the same time, these occupations were very much underrepresented in the neighbourhoods of Mt. Pleasant, Strathcona and the CBD. The clerical and service occupations were of equal importance to the labour force in all of the inner-city neighbourhoods. Blue collar occupations were of more than average importance in the three neighbourhoods where managerial and administrative occupations were the least important - Mt. Pleasant, Strathcona and the CBD - but were at levels not much higher than that found for the overall CMA in these occupations.
By 1980 the occupation structure of Vancouver's inner-city neighbourhoods had changed in some interesting ways. Although the managerial and professional occupation's share of the total labour force in the entire CMA had grown to twenty-six percent, the total labour force share of these occupations in the whole inner-city area had actually declined slightly (figure 5.13). Within the inner-city area there were slight declines in managerial and administrative occupations as a percentage of the total labour force - but not in absolute terms - in Kitsilano, Fairview and the West End. The only gains in percentage of the labour force was experienced in the three neighbourhoods that had lagged badly behind the

Figure 5.12 Vancouver Inner-City Employment Structure by Occupation, 1970

Source: Calculated by Author from Census of Canada, 1971 (see table A.5)

others in terms of these types of occupations in the 1970s - Mt. Pleasant, Strathcona and the CBD. Clerical and service occupations continued to
grow at a rapid pace between 1970 and 1980 in all the inner-city
neighbourhoods except for Strathcona and the CBD. Indeed, the drop in
both numbers employed in these occupations and their relative importance
to the larger labour force in Strathcona was very large (more than ten
percent of the total labour force in this neighbourhood, almost five hundred
workers). Blue collar occupations continued their steady decline during
this time period - although they were still important to the overall labour
force in Mt. Pleasant, Strathcona and the CBD. The exception to this trend
was Strathcona, where both the numbers employed in blue collar
occupations and their relative importance to the labour force increased.

The patterns in occupation change that were apparent between 1970
and 1980 did not continue through the period 1980 to 1985 (figure 5.14).
Managerial and professional occupations in Kitsilano and Fairview grew at rates above that found in the overall inner-city area, and were of greater importance in these two neighbourhoods than in any other area. The entire inner-city average was, however, at a lower rate for these two occupations than the percentage of the labour force employed in these occupations in the total CMA. Managerial and professional occupations continued to be of lesser importance to the labour force in Mt. Pleasant, Strathcona and the CBD.

By 1985 the importance of clerical and service occupations in the inner-city had surpassed their relative importance to the larger CMA labour force in Vancouver. This point holds true for all of the inner-city neighbourhoods. Blue collar occupations continued to decline in total numbers and importance at a rate greater than that of the overall CMA in all of the inner-city areas except for Mt. Pleasant and Strathcona. It would
appear that restructuring has contributed to the segmentation and polarization of the labour force in Vancouver in terms of the quality and skill level of employment, but it has done so in a spatially distinct way. Fairview, Kitsilano and the West End have experienced the continued importance of clerical and service occupations to their total labour force, along with an increase in the importance of managerial and professional occupations and a decrease in importance of blue collar occupations. Mt. Pleasant, Strathcona and the CBD, on the other hand, while still experiencing the continued importance of clerical and service occupations to their labour markets, are also experiencing a continued reliance on blue collar occupations with only small growth in the importance of managerial and professional occupations.

Such segmentation and polarization of the labour force is indicative of contemporary restructuring, but existing urban literature suggests that occupational polarization is also accompanied by a polarization of income levels, particularly between those urban residents engaged in high-paying, high-skill administrative, managerial and professional occupations and low-paying, lower-skill secondary service occupations - such as in the food and beverage industries, tourism and secretarial services. This study will now explore whether or not this link between income level and occupation polarization does exist within the inner-city area of Vancouver.

A brief examination of the growth of median household income levels in Vancouver reveals that there are readily apparent differences between both the larger CMA and the inner-city area, and between the different neighbourhoods that make up the inner-city itself (figure 5.15). While the
CMA experienced an overall increase in median household income through the period 1970 to 1985 that was greater than that experienced by the inner-city area, it is apparent that the neighbourhoods of Kitsilano and Fairview have been able to hold their own with the larger CMA. Indeed, increases in median household income in these neighbourhoods between 1970 and 1985 have been greater than that experienced by the overall CMA. The West End has lagged behind both of these two neighbourhoods and the larger Vancouver CMA, but has done better than Mt. Pleasant, Strathcona and the CBD. What is most striking is that the Mt. Pleasant, Strathcona and CBD neighbourhoods have always been substantially below all other areas, including the larger CMA, both in terms of actual median household income levels and rates of increase. A brief examination of
average household income levels also supports the idea that some inner-city
neighbourhoods have been much better off historically in terms of
household income than other inner-city neighbourhoods in Vancouver
(Tables B.1, B.2, B.3).

While it has been demonstrated that historical differences in
household income levels do exist between the different neighbourhoods of
the inner-city area and the larger Vancouver CMA, the question of
polarization has not yet been adequately addressed. This is because income
polarization associated with the restructuring process involves the
development of inequalities in income levels between different segments of
society (or an increase in existing inequalities) rather than simply
historical differences. I will now turn to an examination of the possibility
that income disparities between the CMA and inner-city area, and between
neighbourhoods within the inner-city area, have been increasing over the
time period of this study.

In order to explore the polarization thesis, the ratio of average to
median household income will serve as a crude index of skewness in the
overall Vancouver CMA and inner-city area. This will provide a simple
measure of changes in the levels of income inequality within each area
(figure 5.16). Income disparity in the inner-city area as a whole is greater,
and increasing at a more rapid pace, than in the larger Vancouver CMA.
As might be expected, income disparity levels and rate of change differs
across the inner-city neighbourhoods. The level of income disparity in
Kitsilano, for example, is lower than the inner-city area average, but
demonstrates much the same pattern of increase. In Fairview, there was a
small increase in disparity between 1970 and 1980. This was followed by a
decrease in
disparity levels in the period 1980 to 1985. Overall levels of household income disparity in the Fairview neighbourhood are also lower than the overall inner-city average. Mount Pleasant shows much the same pattern as Kitsilano, with levels of disparity steadily increasing, but at a level below that of the inner-city average. The neighbourhood of Strathcona demonstrates very high levels of income disparity. Here, levels increased between 1970 and 1980, but then decreased from 1980 to 1985. The Strathcona pattern is repeated in the CBD neighbourhood, where there was an increase in disparity levels between 1970 and 1980 followed by a decrease over the period 1980 to 1985. In the West End, income disparity increased slightly from 1970 to 1980 and then increased dramatically from 1980 to 1985.
Average or median household income levels must also be considered along with measures of income disparity in order to provide some useful information as to what is occurring in each of the inner-city neighbourhoods. For example, the neighbourhoods of Strathcona and the CBD have demonstrated a decrease in the level of income disparity experienced in each of these places from 1980 to 1985. This does not mean, however, that there has been a large increase in household income levels in these neighbourhoods. As the average and median household income levels are relatively low in each of these neighbourhoods (although they are increasing), it is possible that some of the lowest income households in these areas have been displaced by households that are slightly better off in terms of average or median income levels.

The point here is that we do not know, nor can we easily measure, the specific sources of changes in income inequalities within a given geographical area. This study has only attempted to demonstrate that, as might be expected from the restructuring literature, there are income inequalities within different areas in Vancouver and that disparity in some areas appears to be increasing. This study can only speculate on the cause behind such inequality - such as larger increases in income for some segments of the labour force, the intra-urban migration of both high and low income households, international immigration, and so forth. It would take further study, specifically targeted towards these questions, to provide a more comprehensive analysis of household income distributions and change within both the Vancouver CMA and inner-city area.
Chapter 6.0

ENTREPRENEURIAL REDEVELOPMENT AND THE
TRANSFORMATION OF URBAN SPACE IN DOWNTOWN
VANCOUVER

6.1 Introduction

This study will now examine the relationship between the processes of restructuring (as developed in the previous chapter) and redevelopment in the transformation of the physical, social and economic space of the inner-city area of Vancouver. It is the stated policy of the Greater Vancouver Regional District (GVRD) - managing an area that encompasses both the City of Vancouver and the larger Vancouver Census Metropolitan Area - that the greater Vancouver area has the potential to compete successfully within the emerging geography of contemporary economic change (GVRD, 1990). In order to accomplish this goal it is held that both the private and the public sectors must strengthen existing comparative economic advantages, and create and extend new ones. Development strategies undertaken within the region, by both the public and private sectors, can thus be viewed as attempts to make the region more competitive within a global economy. To this end, entrepreneurial development policies and projects that have been pursued can be categorized as falling within one of three broad categories; improving the city's and region's competitiveness within the international division of labour, improving competitiveness within the international division of
consumption, and competition for command and control functions along with their associated services.

Development strategies targeted at making Vancouver and its region more competitive within the international division of labour are generally attempts to capitalize on certain economic trends, including, for example: Vancouver's role in a network of international commodity trade, the increasing importance of the region and the City of Vancouver in particular as a service centre for external markets, rising rates of population growth, and the rise of a labour force adapted to the needs of the dominant sectors of the economy of the City of Vancouver and its region.

While attempting to compete successfully within the international division of consumption, strategies undertaken within Vancouver and its region have often been directed at the obvious benefits of the promotion of regional, national and international tourism and recreation. Competition within the international division of consumption, however, applies to more than just the promotion of recreational tourism. Entrepreneurial redevelopment strategies can also be targeted towards the provision of the infrastructure and facilities necessary to attract a share of the international convention business. The promotion of spectacle and special events that attempt to make the city and its region internationally recognized - for example EXPO 86 - can also be considered as attempts to improve both Vancouver and its region's international position with regards to global consumption patterns.

Strategies aimed at improving Vancouver's position in the international competition for command and control functions along with their associated services have been focused generally on the provision of an adequate infrastructure in terms of the provision of office, commercial,
industrial, retail and residential floorspace. Many of the previously mentioned strategies for creating or improving advantage within international consumption and labour divisions are also complimentary in terms of contributing to the "right" business climate and infrastructural provision that may also enhance competitive advantages for successful attraction of corporate control and command functions and their associated services.

This last point, that many of the development strategies, policies and projects pursued by both the public (local state) and private (capital) sectors are in fact mutually reinforcing or complimentary, is one of the aspects of such redevelopment that is demonstrably entrepreneurial in nature. These strategies attempt to enhance or create a position of competitiveness for the "whole" city or its population - while taking little notice of the actual distribution of both the benefits and costs incurred in terms of their impact on different segments of society. Such entrepreneurial redevelopment is at least implicitly grounded in the notion that growth and further development is, in the long term, good for all, leading to the "lifting of all boats".

6.2 Competition Within the International Division of Labour

This section will concern itself with the examination of the idea that the City of Vancouver, in terms of capital and the state, has attempted to develop or enhance its ability to compete for certain aspects of economic growth and development within the international division of labour.
Specifically, discussion will focus on Vancouver's position within the international commodity trade, the city's role as a national and international exporter of services, the city's ability to attract and maintain employment, and the provision of a labour force adequate to the needs of restructured capital.

Focusing on the City of Vancouver, rather than its larger region, it is apparent that commodity trade through the Port of Vancouver - a deep sea port whose shipments include general cargo and bulk commodity exports - has enjoyed generally steady growth through the 1980s (figure 6.1).

---

**Figure 6.1** Inward and Outward-Bound Tonnage for the Port of Vancouver

*Source: Vancouver Ports Corporation - Statistics by Commodity, 1979 - 1989*

Growth in both inward and outward tonnage has been increasing at a greater rate through the second half of the 1980s than during the first half. Tonnage moving into the port during the period 1979 to 1989, for example, was at a low point in 1982 - when approximately 4.6 million tonnes of
cargo arrived. Tonnage moving into the Port of Vancouver reached its highest point during the time period examined by this study in 1989, when approximately 6.4 million tonnes of cargo arrived - an increase of nearly two million tonnes.

This pattern of growth has also been reflected in an increase in both passengers and air cargo passing through Vancouver International Airport through the 1980s. The numbers of passengers, incoming and outgoing, moving through Vancouver International Airport from 1982 to 1989 increased by almost forty-three percent (figure 6.2). At the same time, the amount of freight passing through the airport - in terms of shipments both in and out - increased by over forty-eight percent.

![Figure 6.2 Vancouver International Airport Traffic, 1982 - 1989](image)

Source: Transport Canada

These figures would seem to indicate that Vancouver's existing comparative advantage - for example its location as Canada's largest west coast port and gateway to Pacific Rim markets - has been enhanced in
ways that have contributed to the City of Vancouver's competitive position within the international commodity market. The growth of tonnage moving into the Port of Vancouver is especially interesting as such growth is not necessarily dependent on Vancouver's location with respect to the rest of Canada, but rather Vancouver's location with respect to an international economy.

The growth in service activity and its concentration within the City of Vancouver has been documented previously in this study (see chapter 5.0, specifically figures 5.8 and 5.9, and table A.4). What is important to note about this growth, in relation to development strategies intended to better place the city within the international division of labour, is that an increasingly significant component of service activity growth within the City of Vancouver has been fueled by, and directed towards, an export market. Of particular importance as an export market for Vancouver services are the member countries of the robust Pacific Rim economy.

Sales of services outside British Columbia by businesses based in the Vancouver region, and the inner-city in particular, was estimated to have reached approximately fourteen percent of the total $2.2 billion output in 1985 (GVRD, 1990). Ley and Hutton (1987) have noted that while fifty-one percent of the value of the producer service firms that they surveyed was directed towards the Vancouver region, only twenty percent was directed towards the rest of the province. This left approximately thirty-four percent of all service activity directed either towards the rest of Canada or internationally (table 6.1). In summary, companies engaged in the supply of producer services in the Vancouver region consider the national or international market to be great importance, second only to the local market itself. Such a reliance on the export of service activity would be
expected in a restructured economy directed at an internationally competitive market. The geographic distribution of markets was found to be strongly related to the firm size and the category of the service they provided. Larger firms were more active outside British Columbia and firms engaged in certain types of activities, such as engineering, real estate, securities and data processing were all represented at levels above

<table>
<thead>
<tr>
<th>Market Orientation: Percentage of Sales for Principal Market Areas</th>
<th>&gt; 75%</th>
<th>&gt; 25%</th>
<th>&gt; 10%</th>
<th>&gt; 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>Brit. Col.</td>
<td>Rest of Canada</td>
<td>Rest of World</td>
<td></td>
</tr>
<tr>
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<td>20.4</td>
<td>20.9</td>
<td>13.3</td>
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<td>15.6</td>
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<td>27.3</td>
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<tr>
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<td>15.0</td>
<td>20.0</td>
<td>0.0</td>
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<td>Data Process.</td>
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</tr>
<tr>
<td>Accounting</td>
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<td>4.5</td>
<td>13.6</td>
<td>4.5</td>
</tr>
<tr>
<td>Advertising</td>
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<td>6.5</td>
<td>15.2</td>
<td>4.3</td>
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<td>22.5</td>
<td>15.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Engineering</td>
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<td>38.2</td>
<td>44.1</td>
<td>32.4</td>
</tr>
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<td>Legal</td>
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<td>21.1</td>
<td>5.3</td>
<td>10.5</td>
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<td>Management</td>
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<td>31.8</td>
<td>31.8</td>
<td>9.1</td>
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<td>20.9</td>
<td>34.9</td>
<td>15.1</td>
</tr>
</tbody>
</table>

*Source: Ley and Hutton, 1987*

the average of the firms surveyed. This study will now examine the state and capital's attempt to attract overall employment growth and a labour force adequate to the needs of restructured capital given Vancouver's position within the international division of labour.

Overall employment growth has been generated in the Vancouver region from 1970 to 1985. There are, however, some interesting differences in employment growth patterns between the larger Vancouver CMA and
inner-city area. The Vancouver CMA experienced a large increase in employment growth from 1970 to 1980 - when almost 350,000 new jobs were created in the area (table 6.2). Large increases in employment

Table 6.2 Employment Growth by Occupational Sector Vancouver CMA and Inner-City Area, 1970 - 1985

<table>
<thead>
<tr>
<th></th>
<th>Mgr. &amp; Prof.</th>
<th>Cler. &amp; Serv</th>
<th>Blue Collar</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>82420</td>
<td>203270</td>
<td>119800</td>
<td>26830</td>
<td>432320</td>
</tr>
<tr>
<td>1980</td>
<td>175735</td>
<td>304050</td>
<td>159675</td>
<td>36485</td>
<td>675945</td>
</tr>
<tr>
<td>1985</td>
<td>210000</td>
<td>334285</td>
<td>158065</td>
<td>31945</td>
<td>734295</td>
</tr>
<tr>
<td>ICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td>14235</td>
<td>374465</td>
<td>13055</td>
<td>3300</td>
<td>68055</td>
</tr>
<tr>
<td>1980</td>
<td>16460</td>
<td>79523</td>
<td>12750</td>
<td>3990</td>
<td>82723</td>
</tr>
<tr>
<td>1985</td>
<td>19200</td>
<td>49810</td>
<td>10545</td>
<td>2885</td>
<td>82440</td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Census of Canada, 1971-1986 (tables A.5, A.6, A.7)

occurred in all occupational sectors. Overall employment, however, increased much as it did in the larger CMA. In the period 1980 to 1985 employment growth continued in the managerial, professional, clerical and service occupations. This growth was offset, however, by declines in blue collar and other occupations, leading to an overall decrease in employment in the inner-city area.

It would appear, at least on the level of overall employment by occupational sectors, that the Vancouver region has indeed competed successfully in the international labour market. This point is based on the
fact that employment opportunity has indeed increased over the time period of this study in Vancouver. (It is not my intention to compare this growth to that experienced by other urban areas engaged in entrepreneurial redevelopment strategies, as this would be beyond the scope of this study). There are some differences, however, between the CMA and the inner-city area. The CMA has attracted employment in the managerial, professional, clerical and service sectors at a rate that more than offset losses in traditional blue collar sectors, resulting in a total gain in employment from 1970 to 1985. The inner-city, on the other hand, has not been so successful. Increases in employment in the managerial, professional, clerical and service sectors has not been great enough within the inner-city area to offset losses in traditional blue collar sectors. It can be noted that the pattern of employment growth described here also supports the labour force and income polarization hypothesis explored in section 5.4. This pattern of the overall Vancouver CMA doing somewhat better than the inner-city area in terms of competition within the international division of labour is also supported and reinforced by migration and immigration patterns.

Some exploratory, and somewhat speculative, data on changing wage levels in the Vancouver area may now yield some further useful information on the provision of an adequate labour force within the international division of labour. The average compound rates of change in real wages have been calculated and recorded for some specific private sector industries. During the period 1984 to 1989, while the overall Vancouver CMA experienced an annual rate of employment increase of approximately five percent, real average wages decreased in some of the most important economic sectors (GVRD, 1990). Real average wages in the
construction industry, for example, decreased by approximately 2.4 percent annually. Real average wages in the manufacturing sector also declined during this period at an annual rate of 1.1 percent. This decrease was even experienced by the trade industries (0.3 percent annually) and the finance, insurance and real estate (FIRE) sector (0.9 percent annually) over the same time period. In the lower-paying service sector industries decreases in real average wages are also present. For example, real average wages in the accommodation and food service industries decreased by 0.7 percent annually, while the business service sector experienced a small annual decrease, from 1984 to 1989. Although these figures are quite speculative - more comprehensive research would have to be undertaken in order to verify these trends - they would be expected in an economy that has undergone restructuring and is currently engaged in an attempt to position itself more competitively within the international division of labour.

6.3 Competition Within the International Division of Consumption

In order to examine whether Vancouver has been successful in its attempts to situate itself more competitively within the international division of labour three broad areas will be discussed, including: growth in tourism, increases in convention business, and the role of spectacle. More specifically, tourism will be examined in terms of hotel/motel room expenditures in the Vancouver CMA, occupancy rates and room sales per occupied room for both the CMA and the downtown area in particular, and
through an examination of the development and growth of the cruise ship business with respect to its importance to the City of Vancouver. The growth in importance of convention services and facilities to Vancouver will be discussed in relation to information already provided in section 5.4 of this study. A discussion of the growth of convention services will then provide a useful connection with an examination of the role of spectacle, specifically Canada Place, BC. Place and EXPO 86.

While tourism has always been an important component of the Vancouver economy, its growth through the 1980s has been quite significant. This growth has been facilitated by aggressive marketing by both the private sector and the state. The result has been a tremendous return in room rental expenditures experienced by Vancouver businesses engaged in tourism-related activities (table 6.3). The year of EXPO, 1986, stands out as being the most successful in terms of hotel/motel revenue generated for the Vancouver tourist industry. It is interesting to note, however, that revenue has increased steadily in each of the years after this major event, perhaps denoting EXPO as contributing successfully to the position of Vancouver within the international division of consumption.

| Table 6.3 Monthly and Yearly Room Rental Expenditures for Vancouver CMA in Millions of Current Dollars |
|--------------------------------------------------|--------|--------|--------|--------|--------|--------|
| Monthly"30 | 15.19 | 27.91 | 19.61 | 22.33 | 25.26 | 25.93 |
| Yearly | 182.22 | 334.90 | 235.37 | 267.96 | 303.19 | N.A. |

Source: Planning and Statistics Division, Government of British Columbia

"30 Denotes an average for the year.
The pattern of 1986 as the best year on record followed by increasing revenues in subsequent years is also apparent in an examination of occupancy rates and room sales per occupied room for both Vancouver in general and the inner-city in particular (table 6.4). It can also be noted

| Year | Vancouver CMA | | | | | Downtown Area, 1981-1989 |
|------|---------------|--------------|----------------|--------------|
|      | Occupancy Rates (%) | Room Sales ($) | Occupancy Rates (%) | Avg. Room Sales ($) |
| 1981 | 79.1 | 52.91 | 74.8 | 56.81 |
| 1982 | 66.7 | 60.88 | 60.8 | 64.65 |
| 1983 | 64.7 | 61.58 | 59.6 | 64.66 |
| 1984 | 67.8 | 61.04 | 64.2 | 64.55 |
| 1985 | 71.3 | 64.48 | 67.3 | 67.92 |
| 1986 | 75.3 | 87.51 | 67.1 | 87.89 |
| 1987 | 66.7 | 87.98 | 62.0 | 70.92 |
| 1988 | 72.0 | 74.34 | 70.1 | 77.10 |
| 1989 | 74.7 | 82.39 | 71.6 | 83.33 |

Source: Laventhal and Horwath, 1981-1989

that while the Vancouver CMA has consistently higher room occupancy rates than the inner-city area, the inner-city has consistently higher revenues generated through room sales. Total revenue generated, occupancy rates and room sales per room taken with the findings from section 5.4 with regard to the increasing importance of convention services and facilities to the economy of Vancouver and its region would also tend
to support the notion that the city and its region have managed to improve their competitive position within the international division of consumption.

The final aspect of tourism in the City of Vancouver that this study will explore is the development of the cruise ship industry as an important component of tourism revenue for the inner-city area of Vancouver. This is a particularly interesting example to include with reference to attempts to improve Vancouver's position within the international division of consumption because it involved the construction and marketing of an entire ensemble of infrastructure and experience - including the construction of a world class hotel and convention complex along with the promotion of the city as a gateway to popular cruise destinations (such as Alaska).

Once again the importance of EXPO 86 in terms of sheer numbers of both passengers and vessels visiting Vancouver must be stressed. Along with EXPO, however, both aggressive marketing by the public and private sectors and the construction of a new facility, Canada Place, also contributed to the success of this tourism venture. In 1979 the number of ships visiting Vancouver was 134 (figure 6.3). They carried a total of 152,514 visitors to the city. By 1987 the number of ships passing through the port had increased to 212, and the number of passengers more than doubled to 313,881. Interestingly, while the number of vessels visiting Vancouver declined after the EXPO year of 1986, the number of passengers actually increased.
6.4 Competition for Corporate Command Functions

There are two interrelated questions dealing with the competition for command functions in the downtown area of the City of Vancouver that this section will explore. The first of these is the construction and continued concentration of infrastructure within the inner-city area of Vancouver. This aspect is important to the successful competition of the city for command functions in that the basic infrastructure must be provided in order to attract any type of command function at all, and it will provide some indication of the dominant role of downtown Vancouver with respect to the rest of the CMA. Secondly, this section will examine the relationship between commercial rental rates and the competition for command functions. Of particular importance here is the persistence of the
downtown area of Vancouver as the location of high-status corporate activity.

The City of Vancouver has always provided a significant component of the total annual building permit values for the overall CMA (table 6.5).

Table 6.5 Annual Building Permit Values for the Vancouver CMA and City, 1983-1989

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial ($'000)</th>
<th>Industrial ($'000)</th>
<th>Residential ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CMA</td>
<td>City</td>
<td>(%)</td>
</tr>
<tr>
<td>1983</td>
<td>265,571</td>
<td>175,769</td>
<td>66.2</td>
</tr>
<tr>
<td>1984</td>
<td>338,729</td>
<td>232,116</td>
<td>68.5</td>
</tr>
<tr>
<td>1985</td>
<td>272,573</td>
<td>120,621</td>
<td>44.3</td>
</tr>
<tr>
<td>1986</td>
<td>296,571</td>
<td>124,887</td>
<td>42.1</td>
</tr>
<tr>
<td>1987</td>
<td>343,752</td>
<td>158,555</td>
<td>46.2</td>
</tr>
<tr>
<td>1988</td>
<td>519,683</td>
<td>190,760</td>
<td>36.7</td>
</tr>
<tr>
<td>1989</td>
<td>591,662</td>
<td>276,095</td>
<td>46.7</td>
</tr>
</tbody>
</table>

Source: GVRD Development Services, 1983 - 1989

This has been especially true for annual commercial building permit values and annual residential permit values. While the Vancouver component of the overall CMA permit value totals has been steadily declining in proportional terms through the 1980s, it is still very important. For example, although the Vancouver percentage of the total commercial building permit values has declined from sixty-six percent in 1983 to forty-seven percent in 1989, the total value of permits issued in Vancouver increased from $176 million to $276 million over the same time period. Residential building permit values as a percentage of total CMA permit
values has remained relatively constant through this time period, ranging from twenty-nine to twenty-six percent of the CMA total. Industrial permit values, however, demonstrated a large decline, from approximately thirty percent to sixteen. While table 6.5 provides some information as to the pattern of annual building permit growth throughout the larger Vancouver CMA, it is also necessary to examine whether there is an emergent spatial pattern of permits within the City of Vancouver itself.

Construction of new commercial space in the City of Vancouver has traditionally been concentrated within a small geographic location - the downtown peninsula or central business district (CBD) - of the inner-city area (table 6.6). Through the 1970s the downtown peninsula accounted for

<table>
<thead>
<tr>
<th>Year</th>
<th>City of Vancouver (sq. ft.)</th>
<th>Downtown Peninsula (sq. ft.)</th>
<th>Downtown as a Percentage of Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>7,761,215</td>
<td>7,935,000</td>
<td>72.8</td>
</tr>
<tr>
<td>1971</td>
<td>10,897,500</td>
<td>8,615,900</td>
<td>73.7</td>
</tr>
<tr>
<td>1972</td>
<td>11,696,500</td>
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</tr>
<tr>
<td>1973</td>
<td>13,892,000</td>
<td>11,404,000</td>
<td>74.6</td>
</tr>
<tr>
<td>1974</td>
<td>15,296,000</td>
<td>11,985,000</td>
<td>73.5</td>
</tr>
<tr>
<td>1975</td>
<td>16,314,000</td>
<td>12,499,000</td>
<td>73.6</td>
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<tr>
<td>1976</td>
<td>16,983,000</td>
<td>13,375,000</td>
<td>73.7</td>
</tr>
<tr>
<td>1977</td>
<td>18,154,000</td>
<td>14,122,000</td>
<td>73.6</td>
</tr>
<tr>
<td>1978</td>
<td>19,175,000</td>
<td>14,398,000</td>
<td>72.2</td>
</tr>
</tbody>
</table>

*Source: Real Estate Board of Greater Vancouver Computer and Statistical Committee*
approximately seventy-two or seventy-three percent of all office space in the City of Vancouver. This trend, while declining somewhat - due to increasing construction in areas such as the Broadway corridor - has continued into the present. Total square footage of office space available in the downtown area has grown at a relatively stable rate through the 1980s and 1990s (figure 6.4).

Figure 6.4 Total Office Space Construction and Annual Growth Rates Downtown Peninsula, 1979-1991

The spatial pattern of commercial office space development within the downtown area of Vancouver also contains another interesting component regarding rental rates. During the period 1979 to 1991 rental rates for low-end, lower status office space increased by a relatively small amount (figure 6.5). High-end, prestige office space, however, has more than doubled over this same period. Examples of transnational companies competing for high-rent, high-prestige office space in the downtown area
include: the Royal Bank of Canada, the Bank of Tokyo, Peat Martwick Thorne, Price Waterhouse, Macmillan Bloedel Ltd., C. Itoh and Co. Canada, Coldwell Bankers Canada, Sun Life, and H.A. Simons Ltd., to name just a

Figure 6.5 Rental Range (in $ per sq. ft.) of Downtown Office Space, 1979-1991

Source: Real Estate Board of Greater Vancouver Computer and Statistical Committee

very few (Business in Vancouver, 1991). This trend is perhaps indicative of a downtown responding successfully to the needs of restructured capital within international competition for command and control functions. Successful competition for corporate command and control activity involves the attraction of the headquarters or regional offices of transnational corporations, and it appears as though Vancouver has been somewhat successful in this area. Current vacancy rates for single and triple 'A' office space in Vancouver would tend to support this claim. The 1992 vacancy rate for high-prestige office space in downtown Vancouver is approximately fourteen percent, while the rate for lower prestige space is
fifteen percent. These figures compare favourably with vacancy rates in other areas in North America. The office space vacancy rate in Toronto, for example, is sixteen percent; it is twenty percent in Calgary; and over twenty-four percent in Los Angeles (BC Business, 1992). The successful competition for high-prestige office activity, however, has a definite impact on non high-rent users (such as some service and manufacturing activity) and traditionally disadvantaged inner-city populations in that it serves to drive land rents far higher than these two groups' can afford.
Chapter 7.0

MEASURES OF DEPRIVATION AND DISADVANTAGE WITHIN THE INNER-CITY AREA OF VANCOUVER

7.1 Introduction

It is the purpose of this chapter to provide measures and analysis of the incidence of urban deprivation and disadvantage occurring within the inner-city areas of the City of Vancouver. Typical measures of deprivation and disadvantage are used to provide information on the ability of disadvantaged urban residents to compete within the markets of housing, employment, and education. More specifically, ability to compete within the housing market will be assessed through an examination of the relationship between increases in rent and household income, which will provide information on ability to pay for housing. Ability to compete within the employment market will be measured through an examination of labour force participation, unemployment rates and poverty levels. Residents' ability to compete in terms of education levels will be explored through a discussion of two extremes, those with less than a grade nine education and those with university degrees. Finally, potential vulnerability to disadvantage and deprivation will be measured through an examination of the levels of single parents and residents sixty-five years and older within each of the inner-city neighbourhoods.
7.2 Access to the Inner-City Housing Market in Vancouver

This exploration of the relationship between housing and possible inner-city disadvantage and deprivation within the City of Vancouver will focus on households occupying rental accommodation, as the majority of residents in the inner-city are tenants. An examination of the distribution of renter and owner households in the inner-city area of Vancouver supports the choice of renter households as being the study focus and reflects the overall makeup of both the larger city and CMA (table 7.1). In order to investigate both rental housing and possible disadvantage or deprivation in the inner-city area of Vancouver it will be necessary to first examine changes in the cost of this type of accommodation in the different neighbourhoods that make up the larger inner-city area.

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>% Owned</th>
<th>Rented</th>
<th>% Rented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitsilano</td>
<td>5900</td>
<td>29.2</td>
<td>14305</td>
<td>70.8</td>
</tr>
<tr>
<td>Fairview</td>
<td>2185</td>
<td>16.5</td>
<td>11030</td>
<td>83.5</td>
</tr>
<tr>
<td>Mount Pleasant</td>
<td>2570</td>
<td>22.5</td>
<td>8850</td>
<td>77.5</td>
</tr>
<tr>
<td>Strathcona</td>
<td>555</td>
<td>10.7</td>
<td>4655</td>
<td>89.3</td>
</tr>
<tr>
<td>CBD</td>
<td>65</td>
<td>1.9</td>
<td>3415</td>
<td>98.1</td>
</tr>
<tr>
<td>West End</td>
<td>1950</td>
<td>8.5</td>
<td>20945</td>
<td>91.5</td>
</tr>
<tr>
<td>Inner-City Area</td>
<td>13225</td>
<td>17.3</td>
<td>63200</td>
<td>82.7</td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1986
Rental rates for two bedroom apartments in the inner-city area of Vancouver increased at a steady, but not particularly drastic rate through the 1970s (figure 7.1). Of specific interest is the fact that rental rates varied very little from one inner-city neighborhood to the next. For example, in 1975 the average cost of a two bedroom apartment in Fairview averaged between two hundred and ninety-five and three hundred and fifteen dollars per month. These rates were only, on average, forty-five to sixty-five dollars a month more than for a two bedroom apartment in Mount Pleasant, which rented for approximately two hundred and fifty dollars per month. This situation remained much the same throughout the 1970s and by 1979 the difference in average rent for a two bedroom apartment in these areas had only grown to approximately ninety-five dollars. This situation, of relatively little variation in monthly rents between each of the inner-city neighbourhoods, began to change in the 1980s. In 1980 the average cost for the rent for a two bedroom apartment in Mount Pleasant was three hundred and fifty dollars per month. This compared favourably with Kitsilano, where the average rate for a two bedroom apartment was three hundred and sixty dollars. Rates for Fairview and the West end, however, had risen to four hundred and twenty to four hundred and sixty dollars per month. By 1985 this trend had become even more pronounced. Average monthly rental rates for a two bedroom apartment in Fairview, Kitsilano and the West End had soared to approximately six hundred dollars, while the same accommodation in Mount Pleasant was still at a relatively low four hundred and eighty dollars per month. By 1988 this difference had become even more pronounced. While a two bedroom apartment in Mount Pleasant now cost over five hundred and fifty dollars per month, this was still relatively
inexpensive compared to Fairview at seven hundred and twenty, the West End at almost eight hundred, and Kitsilano at over eight hundred and fifty dollars per month.

---

Figure 7.1. Rental Rates for Two-Bedroom Apartments, Selected Inner-City Areas, 1975-1988

Source: Real Estate Board of Greater Vancouver and CMHC Rental Vacancy Survey

Rental rates for one bedroom apartments also showed the same general pattern described for two bedroom apartments (figure 7.2). The average cost of a one bedroom apartment in Fairview, Kitsilano or the West End in 1975 was approximately fifteen dollars more per month than in the neighborhood of Mount Pleasant. By 1979 this difference had only grown to approximately thirty dollars per month between Mount Pleasant and Fairview, and forty dollars per month between Mount Pleasant and the West End, while the average rent for a one bedroom apartment in Mount
Pleasant and Kitsilano was approximately equal. This situation was to change dramatically in the 1980s. Between 1980 and 1988 the average cost of a one bedroom apartment in Fairview increased from two hundred and eighty dollars a month to over five hundred, in Kitsilano from two hundred and forty to over five hundred and twenty, in the West End from three hundred to over five hundred dollars per month, and in Mount Pleasant at a relatively lower rate of increase from two hundred and forty-five to four hundred and fifteen dollars per month.

Figure 7.2. Rental Rates for One-Bedroom Apartments, Selected Inner-City Areas, 1975-1988

Source: Real Estate Board of Greater Vancouver and CMHC Rental Vacancy Survey
This pattern of rent increases is supported by Census Canada data for both the inner-city and CMA of Vancouver (figure 7.3). While average monthly residential rental rates have increased steadily over the 1970s and the 1980s two discernible patterns can be detected. The first of these patterns is that residential rental rates have increased at a greater pace in the 1980s than in the 1970s. The second pattern that emerges is that there is a growing difference in rates of increase of rents between different communities in the inner-city. Mount Pleasant, Strathcona and the Central Business District have always commanded lower monthly rates through the 1970s and 1980s than Kitsilano, Fairview and the West End. While this pattern was apparent, but not particularly significant in 1970s, it has grown more pronounced through the 1980s. This is not to say that average
monthly rental rates for rental housing have not increased significantly in all communities in the inner-city area, as it is apparent that they have. What is apparent, however, is the increases in Mount Pleasant, Strathcona and the CBD have not been of the magnitude of increases in Fairview, Kitsilano and the West End.

A superficial reading of apartment rental rates in the inner-city area of Vancouver would, therefore, appear to indicate that residents in the traditionally disadvantaged communities of Strathcona, Mt. Pleasant and the CBD, have experienced lower rates of increase in rents through the 1970s and 1980s than other inner-city neighbourhoods. The large increases in the communities of Kitsilano, Fairview and the West End were to be expected in light of the social upgrading that is known to have occurred in these neighbourhoods. It is only when the increases in rent are compared with other indicators, such as residents' ability to pay, that some possible problems for the traditionally disadvantaged inner-city communities begin to appear.

While median household income in Fairview, Kitsilano, the West End and the overall CMA has increased at a pace that almost equals that of the rent increases, the same cannot be said for average household income in Strathcona and the CBD. Such a discrepancy between increases in average rent and household income have been particularly evident through the 1980s. For example, one of the lowest percentage increase in median household income has been in the inner-city community of Strathcona, where an increase of approximately fifteen percent was experienced between 1980 and 1985. During the same period the cost of rental accommodation increased by approximately fifty-seven percent, leaving a
difference between rent and ability to pay of approximately forty-two percent. In comparison, the inner-city neighbourhood of Fairview - which

Table 7.3 Annual Percentage Increases in Median Household Income and Household Rent for Vancouver CMA and Inner-City Area, 1980-1985

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income</td>
<td>Rent</td>
</tr>
<tr>
<td>CMA</td>
<td>171.5</td>
<td>216.2</td>
</tr>
<tr>
<td>Inner City</td>
<td>155.2</td>
<td>245.8</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>158.4</td>
<td>231.2</td>
</tr>
<tr>
<td>Fairview</td>
<td>207.4</td>
<td>273.5</td>
</tr>
<tr>
<td>Mt. Pleas.</td>
<td>130.6</td>
<td>231.9</td>
</tr>
<tr>
<td>Strath.</td>
<td>81.3</td>
<td>183.1</td>
</tr>
<tr>
<td>CBD</td>
<td>200.5</td>
<td>220.9</td>
</tr>
<tr>
<td>W. End</td>
<td>154.4</td>
<td>195.5</td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1971-1986

has experienced the greatest inner-city percentage median household income increase between 1980 and 1985 - had a percentage median household income increase of sixty percent. Average rental costs in this neighbourhood increased by fifty percent, which meant residents of this neighbourhood were in an improved situation in terms of ability to pay. Clearly, while three of the inner-city communities of Vancouver have managed to match or even better the overall CMA situation in terms of housing costs and household income (Kitsilano, Fairview and the West End), another three communities appear to be suffering as rates of increase of monthly rents steadily outstrip these residents' ability to pay.
7.3 Competition for Employment Opportunities in Downtown Vancouver

An examination of measures of employment disadvantage within the communities of the inner-city of Vancouver also demonstrates that conditions in some of the communities have not been substantially improved, and in fact may have worsened during the period of contemporary revitalization and redevelopment. In terms of participation in the labour force by males fifteen years or older, the overall position of most of the inner-city communities has improved steadily through the 1970s and 1980s. However, there is still a definite split between the three communities doing well in economic terms - the West End, Kitsilano and Fairview - and the three inner-city communities - Strathcona, Mt. Pleasant and the CBD - that are below the overall CMA average. Male labour force participation in Kitsilano, Fairview and the West End has been almost invariably above the participation rate for the Vancouver CMA as a whole. The rate in the community of Mt. Pleasant has generally been slightly below that of the Vancouver CMA rate of participation. Male labour force participation in Strathcona and the CBD have been consistently much lower than either the rest of the inner-city of Vancouver or the CMA.

This same pattern is closely reflected in female labour force participation rates for both the inner-city and CMA of Vancouver (table 7.4). Although female participation in the labour force has been lower than rates for males, some significant gains have been made, particularly in the period from 1975 to 1980. This increase was especially apparent in the inner-city communities of Fairview, Mt. Pleasant and the CBD. Even
with such increases in participation rate, however, both the CBD and Strathcona remain far below the overall CMA average. At the same time - and again reflecting the results for male participation rates - Kitsilano, Fairview and the West End remain significantly above the overall CMA female participation rate. Mt. Pleasant is again only slightly above the larger CMA rate.

A more telling measure of possible employment disadvantage can be found through an examination of male and female unemployment rates for the Vancouver inner-city and overall CMA. Male unemployment through the 1970s and early 1980s declined on the whole, with the communities of

<table>
<thead>
<tr>
<th></th>
<th>Male Labour Force Participation (%)</th>
<th>Male Unemployment (%)</th>
<th>Female Labour Force Participation (%)</th>
<th>Female Unemployment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>74.9</td>
<td>7.7</td>
<td>47.1</td>
<td>9.0</td>
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<tr>
<td>Inner-City</td>
<td>63.1</td>
<td>17.6</td>
<td>52.0</td>
<td>11.8</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>77.3</td>
<td>9.8</td>
<td>60.8</td>
<td>8.5</td>
</tr>
<tr>
<td>Fairview</td>
<td>74.2</td>
<td>12.5</td>
<td>63.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>70.2</td>
<td>11.8</td>
<td>49.6</td>
<td>10.2</td>
</tr>
<tr>
<td>Strathcona</td>
<td>40.5</td>
<td>23.1</td>
<td>37.0</td>
<td>16.9</td>
</tr>
<tr>
<td>CBD</td>
<td>42.3</td>
<td>36.2</td>
<td>41.6</td>
<td>19.4</td>
</tr>
<tr>
<td>West End</td>
<td>74.1</td>
<td>12.1</td>
<td>59.3</td>
<td>7.7</td>
</tr>
</tbody>
</table>

*Sources: Calculated by author from Statistics Canada, Census of Canada 1976*

Strathcona and the CBD experiencing the greatest declines in unemployment rates (table 7.5). While unemployment rates declined more...
rapidly in Strathcona and the CBD during the 1970s and early 1980s they were still much above the rates in both the rest of the inner-city communities and the whole CMA. It is also interesting to note that while these two areas had the largest decline in male unemployment rates during this time period, they also experienced the greatest increase in unemployment rates in the subsequent 1980-1985 period. Indeed, the rate of increase of unemployment in the CBD area at this time was fully three times greater than for the overall Vancouver CMA. During this later period the community of Mt. Pleasant also experienced an especially high

<table>
<thead>
<tr>
<th></th>
<th>Male Labour Force Participation (%)</th>
<th>Male Unemployment (%)</th>
<th>Female Labour Force Participation (%)</th>
<th>Female Unemployment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>79.3</td>
<td>4.7</td>
<td>56.3</td>
<td>5.7</td>
</tr>
<tr>
<td>Inner-City</td>
<td>70.6</td>
<td>10.2</td>
<td>60.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>82.3</td>
<td>5.6</td>
<td>67.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Fairview</td>
<td>80.6</td>
<td>6.4</td>
<td>73.6</td>
<td>4.7</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>77.9</td>
<td>7.4</td>
<td>60.4</td>
<td>6.8</td>
</tr>
<tr>
<td>Strathcona</td>
<td>50.7</td>
<td>13.9</td>
<td>41.6</td>
<td>9.7</td>
</tr>
<tr>
<td>CBD</td>
<td>52.3</td>
<td>21.9</td>
<td>52.1</td>
<td>9.6</td>
</tr>
<tr>
<td>West End</td>
<td>79.8</td>
<td>6.2</td>
<td>65.6</td>
<td>5.1</td>
</tr>
</tbody>
</table>

*Source: Calculated by author from Statistics Canada, Census of Canada 1981*

increase in male unemployment, at a rate over twice as great as the overall CMA. A pattern of male unemployment thus emerges in which part of the inner-city is nearly the same as the rate for the whole
Vancouver CMA. These areas are, again, the West End, Kitsilano and Fairview. On the other hand, Strathcona and the CBD experience a much greater level of male unemployment than either the rest of the inner-city or the CMA. Mt. Pleasant, which could have been included in the first group of inner-city communities through the 1970s and early 1980s, appears to be moving toward a male unemployment pattern more similar to the second group through the period of 1980 to 1985.

Once again, the findings regarding male unemployment in the Vancouver CMA and inner-city are carried through to the patterning of female unemployment in the same areas (table 7.6). Through the 1970s and 1980s the inner-city communities of Kitsilano, Fairview and the West End experienced levels of female unemployment that were slightly below that of the larger Vancouver CMA. At the same time, Strathcona and the CBD experienced levels that were much higher than both the CMA and other inner-city community rates. Mt. Pleasant, which had experienced a female unemployment rate only marginally above that of the CMA through the 1970s into the 1980s, suffered an increase between 1980 and 1985 that brought its rate more into line with that found in the two communities with the highest rates. Again, while the overall trend in female unemployment rates was towards decline through the 1970s and early 1980s, the trend in the period 1980 to 1985 was the opposite. Also, while decreases were greatest in the CBD and Strathcona during the 1970s, the increases in the 1980s - much as they were for male unemployment rates - were also greatest in these two areas, with Mt. Pleasant again moving away from a similar pattern to the rest of the inner-city towards a much closer affinity to rates found in the two communities where employment opportunities were worst.
Table 7.6 Measures of Employment Disadvantage, 1985 - Selected Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Male Labour Force Participation (%)</th>
<th>Male Unemployment (%)</th>
<th>Female Labour Force Participation (%)</th>
<th>Female Unemployment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>77.9</td>
<td>11.7</td>
<td>59.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Inner-City</td>
<td>70.6</td>
<td>23.0</td>
<td>60.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>83.7</td>
<td>11.1</td>
<td>72.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Fairview</td>
<td>82.7</td>
<td>12.1</td>
<td>73.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>75.4</td>
<td>22.9</td>
<td>61.3</td>
<td>16.2</td>
</tr>
<tr>
<td>Strathcona</td>
<td>52.9</td>
<td>33.0</td>
<td>41.1</td>
<td>19.3</td>
</tr>
<tr>
<td>CBD</td>
<td>49.4</td>
<td>44.2</td>
<td>45.3</td>
<td>27.5</td>
</tr>
<tr>
<td>West End</td>
<td>79.7</td>
<td>14.8</td>
<td>67.7</td>
<td>10.6</td>
</tr>
</tbody>
</table>

*Source:* Calculated by author from Statistics Canada, Census of Canada 1986

In summary, access to employment opportunities for both males and females in the inner-city neighbourhoods of Kitsilano, Fairview and the West End remained similar to levels found in the overall CMA between 1975 and 1985. Employment opportunities in Mt. Pleasant, Strathcona and the CBD, however, were very different. Male unemployment has remained at approximately two times the CMA average in Mt. Pleasant, while female unemployment rates have remained approximately one and a half times the CMA between 1975 and 1985. In Strathcona, male unemployment rates through the period 1975 to 1985 have remained three times higher than those found in the overall CMA. Female unemployment in this neighbourhood has remained approximately two times the CMA average over the same time period. Residents of the CBD have experienced
male unemployment rates four or five times the CMA average through 1975 to 1985. Female unemployment rates in this area have also remained above the CMA average, at approximately two times higher. Clearly, access to employment opportunities in the inner-city is not equal for residents of its different neighbourhoods.

The emergence of unequal access to employment opportunities in the inner-city area of Vancouver is also supported by an examination of poverty levels for both families and individuals in these neighbourhoods. Poverty levels, expressed as percentages, are based on Statistics Canada's definition of the low-income cut-off measuring the minimum income needed to sustain individual or family households in each area. In 1980 the inner-city area as a whole averaged much higher levels of poverty than those found in the larger CMA, for both families and individuals in poverty (table 7.7). It is only when data for the inner-city is disaggregated that a true picture of poverty in the inner-city of Vancouver emerges. In 1980, the West End, Fairview and Kitsilano neighbourhoods were only slightly higher than the overall CMA average for families in poverty. These three neighbourhoods were actually below the CMA average for individuals in poverty. The other three inner-city neighbourhoods, however, were all experiencing levels of family and individual poverty at rates greater than the overall CMA average. By 1985 this situation had worsened. Mt. Pleasant, Strathcona and the CBD were experiencing levels of family and individual poverty at rates much higher than the CMA average, while the other three neighbourhoods were experiencing about the same levels of family poverty as the CMA average and lower than average levels for individuals in poverty.
### Table 7.7 Levels of Family and Individual Poverty Within the Vancouver CMA and Inner-City Area, 1980-1985

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Family (%)</td>
<td>Individual (%)</td>
</tr>
<tr>
<td>CMA</td>
<td>11.0</td>
<td>34.9</td>
</tr>
<tr>
<td>Inner City</td>
<td>24.8</td>
<td>45.9</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>13.8</td>
<td>31.1</td>
</tr>
<tr>
<td>Fairview</td>
<td>16.3</td>
<td>32.7</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>25.4</td>
<td>43.0</td>
</tr>
<tr>
<td>Strathcona</td>
<td>45.5</td>
<td>84.2</td>
</tr>
<tr>
<td>CBD</td>
<td>32.5</td>
<td>54.1</td>
</tr>
<tr>
<td>West End</td>
<td>15.5</td>
<td>30.6</td>
</tr>
</tbody>
</table>

*Source: Calculated by Author from Statistics Canada - Census of Canada, 1981-1986*

#### 7.4 Incidence of Educational Disadvantage in Downtown Vancouver

Related to a residents' ability to obtain employment opportunities is his or her level of educational attainment. A measure of access to possible employment can be constructed through an examination of the level of education of residents of the Vancouver CMA and inner-city area. A higher level of educational attainment should allow a person greater opportunity to find suitable employment and, at the same time, be further related to the earning potential of the individual. By examining the level of residents with only a very limited education (i.e. less than a grade nine education) some idea of the bottom end of employment opportunities within
that community can be ascertained. The overall numbers of people with less than a grade nine education in both the overall Vancouver CMA and inner-city area has steadily declined through the 1970s and 1980s, although the decline is much less precipitous through this later time period (table 7.8).

Table 7.8 Vancouver CMA and Inner-City Area Population 15 Years and Older With Less Than a Grade Nine Education

<table>
<thead>
<tr>
<th></th>
<th>1975 (% of total pop.)</th>
<th>1980 (% of total pop.)</th>
<th>1985 (% of total pop.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>30.0</td>
<td>11.9</td>
<td>10.1</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>18.1</td>
<td>7.1</td>
<td>4.9</td>
</tr>
<tr>
<td>Fairview</td>
<td>26.3</td>
<td>8.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>41.1</td>
<td>18.3</td>
<td>17.1</td>
</tr>
<tr>
<td>Strathcona</td>
<td>68.1</td>
<td>47.0</td>
<td>41.4</td>
</tr>
<tr>
<td>CBD</td>
<td>61.7</td>
<td>31.1</td>
<td>28.5</td>
</tr>
<tr>
<td>West End</td>
<td>12.1</td>
<td>8.8</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Sources: Calculated by Author from Statistics Canada - Census of Canada, 1976-1986

The patterning of levels of less than grade nine educational attainment in the Vancouver CMA and the inner-city area once again reflects much of the same duality between "well-off" and "disadvantaged" communities that was apparent in the examination of labour force participation and unemployment rates. Kitsilano, Fairview and the West End are all below the overall CMA level for individuals with less than a grade nine education. On the other hand, residents in both the CBD and Strathcona communities have levels of less than grade nine education much higher than both the CMA or other inner-city communities. Mt. Pleasant
appears to serve as some sort of transitional area between these disadvantaged and non-disadvantaged communities, being somewhat higher than the CMA levels and somewhat lower than the CBD and Strathcona areas. It can also be noted that the total number of persons with less than a grade nine education in the three inner-city neighbourhoods of Strathcona, the CBD and Mt. Pleasant is not insignificant, being approximately 9000 individuals in total.

These high levels of low educational attainment in the CBD, Strathcona and - to a lesser degree - the Mt. Pleasant inner-city communities are not simply a function of a large proportion of a small population being so disadvantaged. Taken together, the total number of individuals in these three inner-city communities with less than a grade nine education is approximately 10,000 residents, or almost eight percent of the entire inner-city population of the City of Vancouver in 1985.

In terms of individuals fifteen years or older with a university degree, the pattern of educational attainment is almost (not surprisingly) a mirror image of that for those with less than a grade nine education. Again the CBD, Strathcona and Mt. Pleasant show levels of individuals with university degrees much lower than the CMA average. At the same time, the other three inner-city communities, Kitsilano, Fairview and the West End show levels of individuals with university degree higher than the overall Vancouver CMA (table 7.9). In particular, the levels of individuals possessing a university degree in the communities of Kitsilano and Fairview are significantly higher than in any other inner-city community or the overall CMA; both are more than twice as high as the Vancouver CMA level.
The large increase in numbers of people with a university education is to be expected within a restructured economy, given the type of labour force necessary. What is important to note from this section is that the most significant growth in numbers of residents with university education is limited to certain inner-city neighbourhoods - in particular, the West End, Fairview and Kitsilano. The populations of Strathcona, Mt. Pleasant and the CBD have remained consistently below the CMA average for residents with a university degree. These same areas have also remained consistently above the CMA average in population with less than a grade nine education. Educational factors, therefore, serve to enhance employment opportunities in some inner-city neighbourhoods, while also serving to restrict opportunity in others.

Table 7.9 Vancouver CMA and Inner-City Area Population 15 Years and Older With University Degree

<table>
<thead>
<tr>
<th></th>
<th>1975</th>
<th>1980</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% of total pop.)</td>
<td>(% of total pop.)</td>
<td>(% of total pop.)</td>
</tr>
<tr>
<td>CMA</td>
<td>7.4</td>
<td>10.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Kitsilano</td>
<td>15.6</td>
<td>23.9</td>
<td>29.5</td>
</tr>
<tr>
<td>Fairview</td>
<td>11.9</td>
<td>20.6</td>
<td>24.5</td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>4.4</td>
<td>8.1</td>
<td>8.3</td>
</tr>
<tr>
<td>Strathcona</td>
<td>2.2</td>
<td>4.1</td>
<td>4.9</td>
</tr>
<tr>
<td>CBD</td>
<td>3.5</td>
<td>6.4</td>
<td>7.4</td>
</tr>
<tr>
<td>West End</td>
<td>10.6</td>
<td>15.6</td>
<td>17.1</td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1976-1986
7.5 Vulnerability to Disadvantage or Deprivation in the Vancouver Inner-City Area

Many discussions of urban deprivation and disadvantage focus not only on actual incidence or measures of these indicators, but also on individuals' or households' level of vulnerability to being included in one of these measures in the future, be it in the area of housing, employment or education (Broadway, 1989). The two most common measures of urban vulnerability are percentage of the population 65 years of age and older, and the percentage of families headed by female heads of household (table 7.10). It would appear that the percentage of single parent families within

<table>
<thead>
<tr>
<th>Table 7.10 Percentage Measures of Vulnerability to Possible Deprivation for the Vancouver CMA and Inner City Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>CMA</td>
</tr>
<tr>
<td>Inner City</td>
</tr>
<tr>
<td>Kitsilano</td>
</tr>
<tr>
<td>Fairview</td>
</tr>
<tr>
<td>Mt. Pleas.</td>
</tr>
<tr>
<td>Strath.</td>
</tr>
<tr>
<td>CBD</td>
</tr>
<tr>
<td>West End</td>
</tr>
</tbody>
</table>

*Source: Calculated by Author From Statistics Canada - Census of Canada, 1976-1986*
a certain neighbourhood is a weak measure of possible vulnerability to future deprivation or disadvantage, except perhaps in the Mt. Pleasant neighborhood which, as has been previously demonstrated, has already been recognized as an area of multiple disadvantage. This appears to hold true for the measure of percentage of the population sixty-five years and older as well. The neighbourhoods that show the greatest potential deprivation by this measure, Strathcona and the CBD, have also already been identified as areas of multiple disadvantage or deprivation.
CHAPTER 8.0

RESTRUCTURING, REDEVELOPMENT AND INNER-CITY DEPRIVATION IN VANCOUVER

8.1 Introduction

In order to extend this discussion of the relationship between restructuring, entrepreneurial redevelopment and possible inner-city disadvantage and deprivation to a more geographical analysis, this study will now focus on the spatially variable ability of inner-city residents in Vancouver to compete in the markets of housing, employment and education. The ability to compete in each of these areas is not exclusive of the others; they are in fact mutually reinforcing.

As stated earlier, there is evidence to demonstrate that entrepreneurial development strategies have been undertaken within the City of Vancouver and its region in order to improve competitive advantage in terms of the international division of labour, the international division of consumption and competition for command and control functions (along with associated services). It is possible to suggest that there are indeed links between, for example, the restructuring of the Vancouver economy, downtown redevelopment, employment change, occupational shifts, income levels and access to housing throughout the inner-city area. It can also be suggested that there is a distinct spatial patterning in terms of the geography of these links. In particular, it would appear that residents of the inner-city neighbourhoods of Strathcona, the CBD and Mt. Pleasant
have been impacted by the restructuring and redevelopment processes in such a way as to, at the very least, continue the historical processes of urban disadvantage found in these neighbourhoods. On the other hand, the restructuring and redevelopment of the inner-city area has contributed to a situation where residents of Kitsilano, Fairview, and the West End benefit in terms of access to employment, income levels and housing.

8.2 Restructuring and Inner-City Employment Growth

Restructuring of the Vancouver economy in terms of employment by industry has continued in both the CMA and inner-city area of Vancouver. Evidence to support this hypothesis includes; the rapid growth of employment in the service industries, increased employment in the finance, insurance and real estate (FIRE) industries, and associated employment loss in the primary and manufacturing industries. There are, however, some significant spatial variations in the restructuring of employment by industry in Vancouver in terms of variations both between the larger CMA and inner-city area, and within the different neighbourhoods of the inner-city itself.

The inner-city neighbourhoods of Kitsilano, Fairview and the West End all demonstrate a significant increase in employment in the service industries. They also have experienced growth in the FIRE and wholesale and retail trade industries. The inner-city neighbourhoods of Strathcona, Mt. Pleasant and the CBD also demonstrate a growing reliance on service industry activity. The growth in employment in the service industries in these neighbourhoods, however, has not been accompanied by associated
employment growth in other industries. In fact, these neighbourhoods have also experienced a decrease in employment in industries that have traditionally provided a significant proportion of employment in these locales - the primary and manufacturing industries.

The restructuring hypothesis was also supported by the growth of command and control functions, along with associated service activities, in the downtown area of the City of Vancouver. It is important to note, however, that the greatest growth and concentration was experienced in those activities that would fall within the FIRE, wholesale and retail trade and service industries. From this distribution it would appear that residents of the inner-city neighbourhoods of Kitsilano, Fairview and the West End generally benefit in terms of employment growth. On the other hand, it would appear that employment opportunities for residents in the other inner-city neighbourhoods are limited mainly to the associated service activity growth associated with a successfully restructuring economy - for example, in the food and beverage industries, retailing, and clerical services.

Patterns of disadvantage associated with access to employment opportunities within the inner-city are also apparent. The continued emphasis by both the private and public sectors on the downtown area being the economic generator for the region has had a detrimental impact on employment opportunities within the most disadvantaged inner-city neighbourhoods. There is continued focus on triple "A" prestige office activity in the downtown area, including the continued promotion of hotel development (Vancouver Planning Department, 1991). As demonstrated in chapter 7.0, such emphasis on prestige office development can impact.
disadvantaged inner-city residents' employment opportunities in terms of both the quantity and quality of employment opportunities available.

Also supporting the restructuring hypothesis has been an ongoing shift in occupation sectors and an associated polarization of both occupations and income. These transformations related to occupational sectors also exhibit a spatially distinct patterning on two levels. There are some distinct differences between the patterning of occupational changes in the overall Vancouver CMA and inner-city area. Service and clerical occupations are the most prominent sectors of employment, followed by managerial and professional, and finally blue collar jobs. Although employment in this last sector has declined during the latter half of the 1980s, it is still a significant component of the overall occupation structure.

The inner-city area displays a different patterning in occupational shifts. This area is much more dependent on clerical and service occupations than any of the other sectors. Managerial and professional occupations also out number blue collar occupations in the inner-city, but neither of these occupations approaches clerical and service occupations in terms of importance to the overall structure of the area.

Within the inner-city area itself there are also some interesting spatial variations in the patterning of occupation change. While Kitsilano, Fairview and the West End were all relatively close to the CMA average in terms of the importance of managerial and professional occupations to the overall occupation structure in 1985, they were higher in service occupations and lower in blue collar occupations. Strathcona, Mt. Pleasant and the CBD also exhibited higher than CMA levels of service occupations, but they also contained far less managerial and professional occupations and higher levels of blue collar occupations. There is also some evidence to
suggest that these employment and occupational patterns associated with the restructuring of the Vancouver economy also contributed to a spatial polarization in terms of income levels within the different neighbourhoods of the inner-city. Figure 5.16 demonstrates that there is a geographical variation in terms of household income levels within each of the Vancouver inner-city neighbourhoods.

8.3 The Location of Redevelopment in Downtown Vancouver

Chapter six of this study outlined some of the entrepreneurial strategies undertaken by both the local state and capital in Vancouver that have attempted to create or improve upon advantages within the highly competitive international economy. Strategies pursued during attempts to improve the city's competitive advantage within the international division of labour have included improving the city's position within the international commodity market, the export of services both nationally and internationally, and the provision of a productive labour force. While these entrepreneurial strategies have been, on the whole, successful in improving the economic position of the City of Vancouver (particularly in terms of employment growth), they had differing impacts on different segments of the inner-city population and on different inner-city communities. The growth in cargo traffic passing through the port of Vancouver, for example, possibly contributed to traditional blue collar employment activity within the inner-city area. The growth in the export of services, on the other hand, possibly benefits residents in Kitsilano, Fairview and the West End to a greater degree than in Strathcona, Mt. Pleasant and the CBD. This is
because the types of services exported - such as engineering, real estate, securities and so forth - fall into the managerial, professional and higher-status business service occupations. As previously discussed, these types of occupations are over represented in the first three neighbourhoods and underrepresented in the latter three.

The argument was also proposed that the city's position within the international division of consumption has been improved through the 1980s through the development of tourism, convention services and facilities - including for example the development of a cruise ship industry. While it is likely that these areas of development have provided employment opportunities for residents of most, if not all, of the inner-city neighbourhoods, the choice of location of the infrastructure associated with such development can have differing spatial impacts within the inner-city. The city planning department, for example, has recognized that redevelopment involving the creation of tourism infrastructure, such as hotels and convention facilities, has resulted in a considerable socio-economic transformation in the character of the areas in which such redevelopment occurred (Vancouver Planning Department, 1983). Such redevelopment, it has also been recognized, results in a general increase in land values in the areas surrounding it, a potential problem for low-income residents of those areas (Vancouver Planning Department, 1989).

While the location of redevelopment projects has been recognized as having different impacts on different segments of the inner-city population, such projects will continue to be located in the inner-city area of Vancouver. The Vancouver Planning Department has identified areas of the city that it feels can accommodate further redevelopment through the use of three broad criteria. The first of these criteria identifies areas of the
city that have a surplus of physical infrastructure (figure 8.1). Physical infrastructure includes such items as sewers, utilities, water mains and so forth.

Figure 8.1
Areas With Surplus Physical Infrastructure

Source: City of Vancouver Planning Department, 1983

The second criteria used by the Vancouver Planning Department for identifying areas that can accommodate further redevelopment is surplus social infrastructure. Areas that have a surplus of social infrastructure allow ongoing expenditures, such as for education, health and other community facilities, to be minimized (figure 3.2). High accessibility to employment opportunities is the final criteria used for identifying areas that are capable of sustaining further redevelopment. These areas are served by transit facilities and are located near major employment centres, allowing for increased transportation efficiency (figure 8.3). It should be noted that all of the inner-city area of Vancouver meets these three criteria for accommodating further redevelopment. If past redevelopment projects can be demonstrated to have adverse impacts on the housing and
employment opportunities of certain segments of the population - particularly traditionally disadvantaged inner-city residents - then the location of further redevelopment in the inner-city will likely continue to do so.

Figure 8.2
Areas With Surplus Social Infrastructure

Source: City of Vancouver Planning Department, 1983

Figure 8.3
High Accessibility to Employment

Source: City of Vancouver Planning Department, 1983
Vancouver's successful competition for command and control functions and their associated services also reflects this pattern of differing spatial impacts throughout the inner-city area. Current major redevelopment projects in the downtown area are all located in, or adjacent to, the three inner-city neighbourhoods whose residents have not been able to compete as successfully in the housing and employment markets resulting from restructuring (figure 8.4). The provision of infrastructure needed to ensure

Figure 8.4 Location of Current Major Redevelopment Projects in Downtown Vancouver

Source: City of Vancouver Planning Department, 1989
such successful competition, and its geographical concentration within a relatively small area of the inner-city, has also had a major effect of increasing land values within the inner-city as a whole. Increases in land value have resulted in higher rents. Major redevelopment projects currently under way within the inner-city area will thus likely continue to decrease disadvantaged inner-city residents ability to compete in the housing market. The housing in the Bosa development, for example, costs between $280,000 and $600,000 (BC Business, 1992). All of the major redevelopment projects in the downtown area are heavily weighted towards such high-cost residential housing and office, retail and hotel floorspace (Table 8.1).

**Table 8.1 Major Redevelopment Projects Currently Underway Within the Inner-City of Vancouver**

<table>
<thead>
<tr>
<th>Ownership</th>
<th>Concord</th>
<th>Bosa Bros.</th>
<th>City</th>
<th>Private</th>
<th>Marathon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>7600</td>
<td>1000</td>
<td>2500</td>
<td>5400</td>
<td>2000</td>
</tr>
<tr>
<td>-mkt. family</td>
<td>1140</td>
<td>160</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>-mkt. non-family</td>
<td>4940</td>
<td>650</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>-non-mkt. family</td>
<td>760</td>
<td>100</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>-non-family</td>
<td>760</td>
<td>100</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Non-family</td>
<td>760</td>
<td>100</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Gross area (acres)</td>
<td>166</td>
<td>9.2</td>
<td>50</td>
<td>133</td>
<td>46</td>
</tr>
<tr>
<td>North Shore</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Shore</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.E. Shore</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downtown</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal Hbr.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected population</td>
<td>13220</td>
<td>1825</td>
<td>4250</td>
<td>7500</td>
<td>3500</td>
</tr>
<tr>
<td>Commercial</td>
<td>2.6 million</td>
<td>77,420</td>
<td>?</td>
<td>?</td>
<td>2.0 million</td>
</tr>
<tr>
<td>-office</td>
<td>430,000</td>
<td>97,570</td>
<td>?</td>
<td>?</td>
<td>700,000</td>
</tr>
<tr>
<td>-hotel</td>
<td>300,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>?</td>
</tr>
<tr>
<td>Open space (acres)</td>
<td>43</td>
<td>none</td>
<td>11.5</td>
<td>TBD</td>
<td>7.0</td>
</tr>
</tbody>
</table>

*Source: Vancouver Planning Department False Creek Development Impacts*
8.4 Inner-City Redevelopment and Housing Opportunities

The restructuring of the Vancouver economy and associated redevelopment through the 1980s has produced a significant demand for housing within the inner-city area. There has been, however, a distinct spatial patterning to the actual construction of new housing in the city. Between 1976 and 1981, for example, there was a net addition (starts minus demolition) of 10,684 units in the City of Vancouver, of which 6,425 (60.1%) were located within the inner-city area (City of Vancouver Planning Department, 1983). Within the inner-city itself, however, there was a distinct spatial bias to this net addition of new housing stock. The West End received the most new units, (43.5% of the inner-city total). The West End was followed by Fairview (37.1%), Kitsilano (13.4%), Mt. Pleasant and Strathcona (5.2%) and the CBD (0.9%).

Along with this spatial bias in new construction, approximately 2000 units were lost to demolition, mostly in the downtown peninsula. The demolition of housing stock in Vancouver has been increasing steadily since 1982, with demolition equaling new construction in 1987 (figure 8.5). Through the 1980s the inner-city area experienced sharp fluctuations in housing supply, often due to high levels of demolition. Ley (1988), has estimated that 2500 units were lost to demolition through the period 1980-1986. The city planning department has also estimated that approximately 1120 units were demolished in 1986 and another 1530 in 1987 (City of Vancouver Planning Department, 1987/88).
Of particular importance to housing and inner-city deprivation is the condition of the most common form of low-income housing unit in this area, the rooming house hotel or lodging unit. Much of this demolition involved the destruction of older, traditionally lower-income rental housing units that were an important source of housing for the disadvantaged inner-city population (figure 8.6). Between 1980 and the first half of 1986 the total number of these units declined by over 2500 in the downtown peninsula (Vancouver City Planning Commission, 1988). This loss, coupled with a decrease in new construction of rental accommodation of both market and non-market housing has lowered disadvantaged inner-city residents' ability to compete in the inner-city housing market (figure 8.7).
Figure 8.6 Loss of Rooming and Lodging Units in Downtown Vancouver, 1979 - 1989

Source: City of Vancouver Social Planning Department, Hotel and Rooming House Accommodation Survey, 1979 - 1989

Figure 8.7 Completions of Rental Housing in the Vancouver CMA, 1983-1987

Source: City of Vancouver Planning Department, Vancouver Plan Monitor (1987/88)
There is a spatial variation to this pattern as well, as most of the loss in housing opportunities appears to be concentrated in the same neighbourhoods that exhibit high levels of economic and social deprivation and disadvantage - Strathcona, Mt. Pleasant, and the CBD. These are also the areas that have been under a great deal of pressure in terms of the restructuring of Vancouver's economy and associated redevelopment. This was recognized by the city planning department, which has stated that all types of redevelopment have continued to displace low-income residents (Vancouver Planning Department, 1991).

It has been suggested that the continued development of prestige high-rent office space contributes to an increase in overall land prices and costs in the downtown area. Such an increase has the effect of displacing traditional inner-city employment opportunities in the manufacturing and primary industries because of the inability of these functions to compete in a higher-cost land market. There is also some evidence to suggest that the increasing emphasis on office development is having the effect of displacing some of the lower order business support services that have traditionally been located adjacent to the office core within the downtown area (Vancouver Planning Department, 1991). If such displacement continues, then disadvantaged inner-city residents face the possibility of having the one sector in which they have experienced employment growth, the clerical and service industries, begin to decline in terms of employment opportunities.

It is thus apparent that the restructuring of the Vancouver economy and associated inner-city redevelopment have some definite geographical links with the existence and persistence of inner-city deprivation and disadvantage within the inner-city area. There is a distinct pattern to
these links, in that the residents of the neighbourhoods of Kitsilano, Fairview, and to some extent the West End, have generally benefited from both the impacts and patterning of the restructuring and redevelopment processes. Residents of the neighbourhoods of Strathcona, Mt. Pleasant and the CBD, however, have not. Residents of these neighbourhoods find themselves bearing a disproportionate amount of the costs, in terms of access to housing and employment opportunities, associated with restructuring and redevelopment in downtown Vancouver.
CHAPTER 9.0

CONCLUSIONS

9.1 Introduction

This study has argued that the current round of urban transformation is in some ways different from previous phases, particularly the one immediately preceding it. Redevelopment projects and policies in the 1970s for example, were much less directly concerned with economic development, and more concerned with urban quality of life issues, than contemporary public and private sector redevelopment. Redevelopment projects and policy concerns were shifted back to a central focus on economic development in the early 1980s, as part of the reaction by capital and the state to international economic discontinuities and rise of neoconservative ideologies. As a result of these economic and political transformations that have occurred in advanced capitalist society both business and the state have undertaken urban redevelopment strategies that are demonstrably more entrepreneurial in nature. Current redevelopment strategies are part of an attempt to improve the overall competitiveness of the city or urban region within a broader international or global context.

Specifically, this study has argued that urban entrepreneurial strategies (which are implicitly predicated on improving social and economic opportunities for all urban residents) have contributed to the overall economic health of the City of Vancouver, especially for some
segments of the population. At the same time, however, these strategies have also contributed to the continued concentration of traditionally disadvantaged urban residents into certain inner-city spaces, and that within these spaces these people are experiencing a continued lack of access to improved social and economic opportunities.

9.2 Contemporary Urban Redevelopment Strategies as Entrepreneurial

In broad terms, it would appear that contemporary urban redevelopment strategies in downtown Vancouver have been somewhat successful in improving the competitive position of the city within the international or global economy. In particular, The city's position within the international division of labour has been improved through the development and extension of advantages in the international commodity market (taking particular advantage of Vancouver's position as a major transportation hub within the Pacific Rim region). The export of business and consumer services - particularly in terms of real estate, securities and engineering activity - on a national and international scale also appears to have contributed to improving Vancouver's position within the international division of labour. The end result of successful competition within the international division of labour has been strong growth experienced by the Vancouver labour force through the late 1970s and 1980s. It should be noted, however, that the larger Vancouver region has done better in terms of overall employment growth than has the inner-city area.
Vancouver's position within the international division of consumption appears to have improved over the period examined by this study. Specifically, successful competition in the tourist and trade and convention industries has led to significant growth in the service industries. In this regard, the creation of spectacle and urban experience as highlighted by the successful Expo 86 world's fair (which also contributed to "selling" the city internationally) has played an important role. Again, much of this success can be attributed to the geographical location of Vancouver within the Pacific Rim region.

The city's position within the global competition for corporate and command headquarters and regional offices can also be termed successful. Evidence of this includes the continued strong growth of office commercial space, particularly within the downtown core. Through the 1980s there has been strong growth and concentration of business, producer and consumer services (especially in terms of finance, land development and property management) in the inner-city area.

9.3 Inner-City Transformation and the Success of Entrepreneurial Redevelopment Strategies

Certain segments of the inner-city population appear to have benefited from the success of entrepreneurial redevelopment strategies at improving the competitive position of the City of Vancouver within the global economy. Individuals engaged in professional, managerial and service occupations have, in particular, benefited from employment growth associated with restructuring and entrepreneurial redevelopment.
What is not generally recognized, however, is that such "success" has not been the experience of all segments of the inner-city population in Vancouver. The benefits flow unequally to those segments of society - such as the best educated - that can most avail themselves to the restructured economy. Spatially, it appears that well-educated individuals engaged in higher-skill, higher-pay occupations tend to be concentrated increasingly within the inner-city neighbourhoods of Kitsilano, Fairview and the West End. It would also appear that within each of these neighbourhoods social and economic inequality is increasing. Less-educated individuals engaged in lower-skill, lower-pay occupations seem to be concentrated within, in particular, the inner-city neighbourhoods of Strathcona and the CBD. Interestingly, social and economic inequality within these two neighbourhoods has decreased during the latter half of the 1980s. The decrease, however, appears to be related to the continued displacement and concentration of disadvantaged individuals into these neighbourhoods.

Although the absolute number of jobs being created in the inner-city thus remains high, there has been little attention focused on the distribution of their quality or quantity. Residents of the neighbourhoods of Strathcona, Mt. Pleasant and the CBD have seen employment opportunities in the primary and manufacturing industries decline at a steady rate through the 1980s. The only sector offsetting this job loss in these neighbourhoods has been growth in employment in the clerical and service professions. Such jobs often tend to be located in the tourism, food and beverage, secretarial and lower-status service industries. There is thus a discrepancy in both quality and quantity of employment opportunities being produced in the inner-city of Vancouver as a result of restructuring and redevelopment. The result of this discrepancy within the
disadvantaged inner-city neighbourhoods is high unemployment, lower labour force participation and much higher levels of family and individual poverty.

Related to the emerging structure of employment opportunity within the inner-city is the creation of a more polarized occupation/income structure. It is clear that household income in certain inner-city neighbourhoods has not kept up with trends in both the larger CMA and non-disadvantaged inner-city areas. In fact, it appears that the restructuring and redevelopment of downtown Vancouver through the 1980s has exacerbated the existing historical situation of disadvantage.

9.4 Entrepreneurial Redevelopment and Inner-City Disadvantage

Residents of the inner-city neighbourhoods of Strathcona, Mt. Pleasant and the CBD have clearly not benefited from entrepreneurial urban redevelopment strategies in the same way that residents of the other three inner-city neighbourhoods have. Employment opportunities in these disadvantaged communities, for example, are limited increasingly to low-status, low-pay service sector jobs, a hypothesis that is supported by the increasing polarization of the income structure Vancouver's inner-city neighbourhoods. Traditional blue collar employment is not promoted by contemporary redevelopment strategies, yet it remains an important component of the employment structure in both Strathcona and Mt. Pleasant. Another factor limiting employment opportunities in these neighbourhoods is the continued persistence of low levels of educational attainment. Thus the provision of a labour force adequate to the needs of
restructured capital (one of the tenets of entrepreneurial strategies) does not occur in these communities.

Access to suitable housing is also more difficult in the transformed urban space of entrepreneurial redevelopment within Strathcona, Mt. Pleasant and the CBD. There are a number of factors at work here, including the destruction of traditional housing sources and increasing rents associated high-cost commercial and residential development. In the end, it appears that the traditional social and economic problems of disadvantaged inner-city residents in Vancouver - improved access to housing and employment - remain much the same as they have always been.

9.5 Summary

It appears that contemporary revitalization, restructuring and redevelopment in the inner-city area has not ameliorated the traditional incidence of disadvantage and deprivation within the inner-city area of Vancouver. One of the central tenets of entrepreneurial redevelopment strategies, that all urban residents should experience improved social and economic conditions through its hypothesized 'trickle down' effects, thus appears to be false. Indeed, within certain inner-city spaces, the incidence of individual and family households in poverty has increased, unemployment remains constantly high (along with lower labour force participation rates), educational attainment continues to lag far behind the average for non-disadvantaged neighbourhoods, and access to housing opportunities continues to worsen.
The political and social conditions for achieving economic growth through the expansion of participatory and redistributive public policies do not appear to be readily apparent within Vancouver during this period of urban entrepreneurialism. The result is that both capital and the local state have been pursuing economic development policies and projects that have little concern with the possible costs associated with such entrepreneurial strategies, the distribution of opportunities produced, and the quality of such opportunities for certain segments of the urban population - such as traditionally disadvantaged inner-city residents.
Table A.1 Inner-City Area Employment Structure by Industry, 1970

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<th>Strath.</th>
<th>CBD</th>
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Source: Calculated by author from Statistics Canada - Census of Canada, 1971
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*Source: Calculated by Author from Statistics Canada - Census of Canada, 1981*
Table A.3 Inner-City Area Employment Structure by Industry, 1985

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Source: Calculated by Author from Statistics Canada - Census of Canada, 1986
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*Table A4: Growth and Concentration of Command and Control Functions and Associated Services in Vancouver, 1979-1989*
### Table A.5 CMA and Inner-City Areas Employment Structure by Occupation, 1970

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Source: Calculated by Author from Statistics Canada - Census of Canada, 1971
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<td>Mt. Pleasant</td>
<td>1550</td>
<td>6978</td>
<td>3240</td>
<td>810</td>
<td>12578</td>
</tr>
<tr>
<td></td>
<td>(12.3%)</td>
<td>(55.5%)</td>
<td>(25.8%)</td>
<td>(6.4%)</td>
<td></td>
</tr>
<tr>
<td>Strathcona</td>
<td>240</td>
<td>1200</td>
<td>1205</td>
<td>335</td>
<td>2980</td>
</tr>
<tr>
<td></td>
<td>(8.1%)</td>
<td>(40.3%)</td>
<td>(40.4%)</td>
<td>(11.2%)</td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>325</td>
<td>1585</td>
<td>715</td>
<td>220</td>
<td>1095</td>
</tr>
<tr>
<td></td>
<td>(11.4%)</td>
<td>(55.7%)</td>
<td>(25.1%)</td>
<td>(7.7%)</td>
<td></td>
</tr>
<tr>
<td>West End</td>
<td>4910</td>
<td>16745</td>
<td>2995</td>
<td>1095</td>
<td>25745</td>
</tr>
<tr>
<td></td>
<td>(19.1%)</td>
<td>(65.0%)</td>
<td>(11.6%)</td>
<td>(4.3%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1981
### Table A.7 CMA and Inner-City Areas Employment Structure by Occupation, 1985

<table>
<thead>
<tr>
<th></th>
<th>Mgr. &amp; Prof.</th>
<th>Clerk &amp; Ser.</th>
<th>Blue Collar</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>210000</td>
<td>334285</td>
<td>158065</td>
<td>31945</td>
<td>734295</td>
</tr>
<tr>
<td></td>
<td>(28.6%)</td>
<td>(45.5%)</td>
<td>(21.5%)</td>
<td>(4.4%)</td>
<td></td>
</tr>
<tr>
<td>ICA</td>
<td>18165</td>
<td>48430</td>
<td>10290</td>
<td>2785</td>
<td>79670</td>
</tr>
<tr>
<td></td>
<td>(22.8%)</td>
<td>(60.8%)</td>
<td>(12.9%)</td>
<td>(3.5%)</td>
<td></td>
</tr>
<tr>
<td>Kitsilano</td>
<td>6750</td>
<td>14210</td>
<td>2510</td>
<td>725</td>
<td>24195</td>
</tr>
<tr>
<td></td>
<td>(27.9%)</td>
<td>(58.7%)</td>
<td>(10.4%)</td>
<td>(3.0%)</td>
<td></td>
</tr>
<tr>
<td>Fairview</td>
<td>4595</td>
<td>8895</td>
<td>1330</td>
<td>400</td>
<td>15220</td>
</tr>
<tr>
<td></td>
<td>(30.2%)</td>
<td>(58.4%)</td>
<td>(8.7%)</td>
<td>(2.6%)</td>
<td></td>
</tr>
<tr>
<td>Mt. Pleasant</td>
<td>1575</td>
<td>7005</td>
<td>2945</td>
<td>760</td>
<td>12285</td>
</tr>
<tr>
<td></td>
<td>(12.8%)</td>
<td>(57.0%)</td>
<td>(24.0%)</td>
<td>(6.2%)</td>
<td></td>
</tr>
<tr>
<td>Strathcona</td>
<td>300</td>
<td>2145</td>
<td>1060</td>
<td>200</td>
<td>3705</td>
</tr>
<tr>
<td></td>
<td>(8.1%)</td>
<td>(57.9%)</td>
<td>(28.6%)</td>
<td>(5.4%)</td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>290</td>
<td>1130</td>
<td>360</td>
<td>135</td>
<td>1915</td>
</tr>
<tr>
<td></td>
<td>(15.1%)</td>
<td>(59.0%)</td>
<td>(18.8%)</td>
<td>(7.0%)</td>
<td></td>
</tr>
<tr>
<td>West End</td>
<td>4655</td>
<td>15045</td>
<td>2085</td>
<td>565</td>
<td>22350</td>
</tr>
<tr>
<td></td>
<td>(20.8%)</td>
<td>(67.3%)</td>
<td>(9.3%)</td>
<td>(2.5%)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1986
### Table B.1 Geographical Variations in Household Income and Income Disparity,

<table>
<thead>
<tr>
<th>Vancouver CMA and Inner-City Area, 1970</th>
<th># of Household</th>
<th>Household Income Avg. ($), Avg. to CMA ($), Median Income to CMA ($), Disparity Index, Incidence of Poverty Indiv (%)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CMA</td>
<td>346200</td>
<td>9931, 100, 8823, 100, 12.6, 19.2</td>
<td></td>
</tr>
<tr>
<td>ICA</td>
<td>60880</td>
<td>6492, 65.4, 5536, 62.7, 17.3, 34.5</td>
<td></td>
</tr>
<tr>
<td>Kits.</td>
<td>16720</td>
<td>8013, 80.7, 7081, 80.3, 13.2, 19.1</td>
<td></td>
</tr>
<tr>
<td>Fair.</td>
<td>9710</td>
<td>6679, 67.3, 5576, 63.2, 19.8, 28.2</td>
<td></td>
</tr>
<tr>
<td>Mt Pls</td>
<td>7625</td>
<td>6919, 69.7, 6447, 73.1, 7.3, 30.9</td>
<td></td>
</tr>
<tr>
<td>Strath</td>
<td>2635</td>
<td>5413, 54.5, 4037, 45.8, 34.1, 55.09</td>
<td></td>
</tr>
<tr>
<td>CBD</td>
<td>1065</td>
<td>4761, 47.9, 3991, 45.2, 19.3, 53.1</td>
<td></td>
</tr>
<tr>
<td>W.End</td>
<td>23125</td>
<td>7165, 72.1, 6081, 68.9, 17.8, 19.9</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Calculated by Author from Statistics Canada - Census of Canada, 1971*
Table B.2 Geographical Variations in Household Income and Income Disparity.

<table>
<thead>
<tr>
<th>Vancouver CMA and Inner-City Area</th>
<th># of Household</th>
<th>Household Income</th>
<th>Disparity Index</th>
<th>Incidence of Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg. ($)</td>
<td>Avg. to CMA ($)</td>
<td>Median ($)</td>
<td>Median to CMA ($)</td>
</tr>
<tr>
<td>CMA</td>
<td>476755</td>
<td>27688</td>
<td>100</td>
<td>23951</td>
</tr>
<tr>
<td>ICA</td>
<td>71100</td>
<td>17265</td>
<td>62.4</td>
<td>13775</td>
</tr>
<tr>
<td>Kits.</td>
<td>19190</td>
<td>22117</td>
<td>79.9</td>
<td>18300</td>
</tr>
<tr>
<td>Fair.</td>
<td>11330</td>
<td>20752</td>
<td>74.9</td>
<td>17141</td>
</tr>
<tr>
<td>Mt Pls</td>
<td>10600</td>
<td>17080</td>
<td>61.7</td>
<td>14865</td>
</tr>
<tr>
<td>Strath.</td>
<td>2905</td>
<td>10786</td>
<td>39.0</td>
<td>7320</td>
</tr>
<tr>
<td>CBD</td>
<td>825</td>
<td>14580</td>
<td>52.7</td>
<td>9888</td>
</tr>
<tr>
<td>W End</td>
<td>26250</td>
<td>18275</td>
<td>66.0</td>
<td>15135</td>
</tr>
</tbody>
</table>

Source: Calculated by Author from Statistics Canada - Census of Canada, 1981
Table B.3 Geographical Variations in Household Income and Income Disparity.

<table>
<thead>
<tr>
<th>Vancouver CMA and Inner-City Area, 1985</th>
<th># of Household</th>
<th>Income</th>
<th>Disparity Index</th>
<th>Incidence of Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Avg. (CMA)</td>
<td>Avg. to CMA</td>
<td>Median (%)</td>
<td>Median to CMA</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------</td>
<td>-------------</td>
<td>--------------</td>
<td>---------------</td>
</tr>
<tr>
<td>CMA</td>
<td>532220</td>
<td>36086</td>
<td>100</td>
<td>30477</td>
</tr>
<tr>
<td>ICA</td>
<td>79645</td>
<td>24427</td>
<td>67.7</td>
<td>18257</td>
</tr>
<tr>
<td>Kits.</td>
<td>20290</td>
<td>32333</td>
<td>89.6</td>
<td>25975</td>
</tr>
<tr>
<td>Fair.</td>
<td>13200</td>
<td>32550</td>
<td>90.2</td>
<td>27432</td>
</tr>
<tr>
<td>Mt PIs</td>
<td>11420</td>
<td>19884</td>
<td>55.1</td>
<td>16112</td>
</tr>
<tr>
<td>Strath</td>
<td>5205</td>
<td>12118</td>
<td>33.6</td>
<td>8399</td>
</tr>
<tr>
<td>CBD</td>
<td>3445</td>
<td>16386</td>
<td>45.4</td>
<td>11959</td>
</tr>
<tr>
<td>W End</td>
<td>26085</td>
<td>33293</td>
<td>92.3</td>
<td>19666</td>
</tr>
</tbody>
</table>

*Source:* Calculated by Author from Statistics Canada - Census of Canada, 1986
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