

Situating the New Economy: Contingencies of Regeneration and Dislocation in Vancouver's Inner City

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Abstract

The purpose of this paper is to make an argument about the importance of geographical context and contingency in the emergence of the new economy within the inner city. Using a case study of Vancouver, it is suggested, first, that its new economy has emerged precisely out of the peculiar trajectory of the city and is bound up with a staples economy, branch plant corporate offices, transnationalism, and mega-project orientation. Secondly, to illustrate the importance of situation and site, the paper focuses on two of Vancouver's inner-city locales: Yaletown, on the margins of the Downtown South, a former industrial and warehousing district now regarded as the epicentre of Vancouver's new economy; and Victory Square, the former commercial heart of the early Vancouver, for many years experiencing disinvestment and decline, but now on the cusp of a major revitalisation which threatens to displace long-established social cohorts.

Introduction: The Inner City as Palimpsest or Tabula Rasa?

In the mid 1980s, Yaletown was a down-on-its-heels warehouse district on the south side of Vancouver's downtown peninsula. It was home to fork lift trucks and lorries by day, prostitutes and their customers by night. The principal jobs in the area were related either to wholesaling or to the world's oldest profession.

A scattering of deteriorating single-family working class housing lay on its northern fringe, owned originally by Canadian Pacific Railway workers employed in nearby railway maintenance yards and the roundhouse, and the closest to *haute cuisine* in the district was the Homer Café diner.

No more. In a prescient article written in 1988, at the advent of Yaletown's regeneration, Robert Jankiewicz wrote that Yaletown

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once on the way to becoming a seedy collection of decaying brick warehouses and light industrial plants, is catching the eye of creative professionals looking for alternative workplaces, as well as the real estate developers needed to prepare the space for them (Jankiewicz, 1988, p. 24).

That space has now been utterly transformed, even earning Yaletown its own entry in Wikipedia (“one of the most successful and significant urban regeneration projects in North America”).¹ On one of the many websites now dedicated to the area’s culinary offerings, 15 sub-categories of food and dining are listed as available for the gastronome.² The original working-class housing has been either demolished or refurbished as boutique sites for various design services and is giving way to a landscape of high-rise condominium development for the ‘hip, young, single, and professional’. Yaletown is the “paté” in the city’s inner-city residential “sandwich” (Jankiewicz, 1988, p. 26). Finally, and most germane for our purposes, Yaletown is now one of the centres of Vancouver’s ‘new economy’. Its service sector employees are at the vanguard of the city’s creative industries. In 2006, 26 per cent of the jobs in the area were in computer system design, architecture and engineering, and advertising, and another 8 per cent in motion picture and video industries, information services and software publishing (City of Vancouver, 2006, information sheet 1:2, p. 2).

Yaletown is just one of the sites in a larger geographical pattern of regeneration within Vancouver’s inner city and partly produced by the emergence of a robust ‘new economy’. Such regeneration, of course, is not only the result of the agglomeration of creative industries (Scott, 2006). There are other factors at work, but, as we will suggest, in Vancouver at least they have operated in concert, forming an interrelated assemblage, producing the remarkable economic, social, cultural and physical alterations that are now so evident

in Yaletown and other similar locales within Vancouver’s inner city.

However, with regeneration often comes dislocation—certainly for former Yaletown warehouse and sex workers. Yet the shadow is longer, and especially when the effects of other Vancouver inner-city districts experiencing regeneration are also taken into account such as Victory Square, Gastown and False Creek Flats. Especially adversely affected has been the Downtown Eastside that sits in between these sites of new economy regeneration (Figure 1).

The Downtown Eastside is the oldest residential neighbourhood in the city, serving as a classic zone of transition during the first half of the 20th century. Since the end of the Second World War, it has been home to Vancouver’s most economically marginalised population. It contains the census tract with the lowest per capita income in Canada and Ley and Smith (2000) found from 1970 that it consistently suffered multiple forms of deprivation (there are about 140 separate social agencies and non-profit organisations operating in the neighbourhood). In addition, 30 per cent of the residents are intravenous drug users and, just off its central intersection, Main and Hastings Streets, is North America’s first government-sanctioned safe injection drug site. Inner-city regeneration prompted in part by new economy activities has increased pressures for gentrification in the Downtown Eastside, decreasing the supply of affordable housing, as well transfiguring its physical landscape in accordance with the dictates of the new regime. Protests by Downtown Eastside community activists around housing are now a permanent urban fixture taking the form of tent cities, illegal squats, street marches, petitions, defacement of city property, community plays and a Brechtian style opera *Condemned* (Blomley, 2004). They are all signs of an endemic process of dislocation.

The purposes of our paper are twofold. The first is to describe particularly the process of

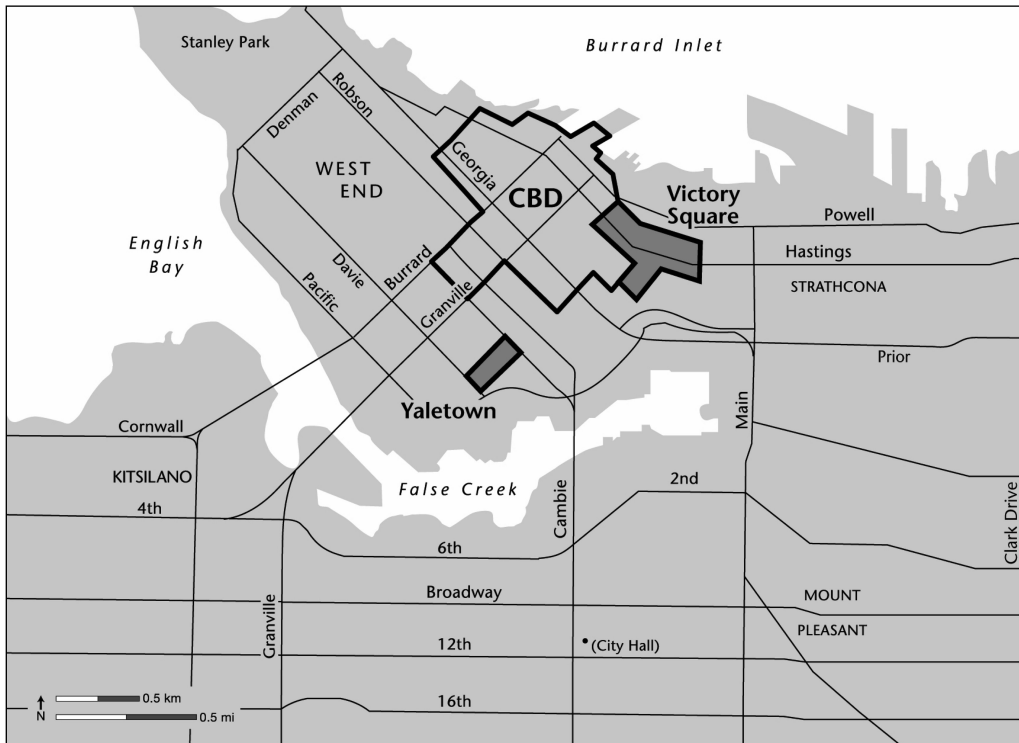


Figure 1. Location of Yaletown and Victory Square in Vancouver's central area

regeneration within Vancouver's inner city and predicated upon the flourishing of a new economy since the late 1980s. Yet, as alluded, there is a dark underbelly, a dislocation, which we will also discuss. The second is to make an argument about the importance of contingency and geographical specificity in shaping Vancouver's changing inner-city landscape. Clearly, there are general processes of inner-city transformation involving the new economy that can be theorised and conceptualised (as in Richard Florida's (2002a, 2002b) creative cities thesis, or Allen Scott's (1996, 1997, 2000, 2006) framework for understanding cultural industries). Precisely how such transformation occurs, the antecedent conditions and their subsequent causative relation, and the exact form of the outcome, will depend, however, upon the peculiar historical and geographical features of the city itself, a point stressed recurrently

in Peter Hall's *Cities in Civilisation* (1998). General processes create pervasive (or structural) change, but these forces are mediated by local factors, including path dependency, and concentrations of leadership, entrepreneurship and talent. These dynamics of urban development were played out, for example, in the Italian Renaissance, as seen in the contestation for primacy between Florence and Siena (and for a while Pisa) and, more recently, between such cities as Toronto and Montreal in the Canadian context, Melbourne and Sydney in Australia, and Los Angeles and San Francisco in California. Geography still matters—as we shall illustrate for Vancouver.

The paper is divided into four sections. First, we review briefly some of the conceptual literature on the new economy and inner-city urban change. Our argument is that the literature is insufficiently sensitive to the role played by local urban exceptionalities.

Consequently, theories that have been put forward—we focus on writings by Allen Scott and Richard Florida—require modification when deployed in actual cities such as Vancouver. Secondly, we discuss the specificities of the Vancouver case, arguing that, in order to understand the rise of the new economy, we need prior knowledge of the various peculiarities shaping the city. We focus on four: its post-staples character, its post-corporate structure, the centrality of transnationalism and its mega-project civic mentality. These features in combination make Vancouver different from other cities, uniquely contorting its new economy and the consequences. Thirdly, to make the discussion more concrete, we examine two districts within Vancouver experiencing a new economy make-over: Yaletown and Victory Square. Apart from telling the story of the rise of the new economy at these specific sites, we also look at the reverse side of the coin of ‘regeneration’—dislocation, found in the Downtown Eastside bordering both Yaletown and Victory Square. Finally, the conclusion summarises and points to implications.

Conceptualising the New Economy and Urban Places

The new economy is part of the woof and weave of the urban fabric in which it is found. It does not exist separately in its own sealed spaces, but is integrated within the concrete, if not the stone, brick and terracotta detail of the urban surround. This fusion of the object of study, the new economy, with the adjoining urban context, makes theorising difficult. Whether the new economy happens and, if so, exactly where and how, depends upon specific, contingent features of the individual geographical case. Geographical particularities are not mere background conditions, dispensable facts to add local colour, but are the story itself. Theorising is possible, but it must proceed gingerly, sensitive as

much to what cannot be generalised as to what can.

Allen Scott (1996, 1997, 2000, 2006) and Richard Florida (2002a, 2002b) are perhaps the two most well known theorists of the urban new economy. Both recognise that place is central to its understanding. So, Scott (2000, p. 319) “insist[s] above all” on the centrality of “synergies that lie at the intersection between agglomeration processes [of the new economy] ... and the cultural meaning of place”. While Florida (2002a, p. 6) says, “place has become the central organizing unit of our time, taking on many of the functions that used to be played by firms and other organizations”. In spite of these declarations, our contention is that neither Scott nor Florida is sufficiently open to the contingencies of place in their theorising. Instead, their accounts are too concerned with generalisation and are insensitive to geographical peculiarities.

To understand the problem, we need to review briefly both scholars’ work. Scott’s framework is the more established, deriving from his theorising in the 1980s about the emergence of flexible specialisation or post-Fordism. Key for him in the new industrial economy that emerged during that decade were highly specialised vertically distintegrated firms that produced niche products, operated within unstable markets, were linked by tight-knit, external exchanges through value-added networks and utilised specific types of labour that could be temporary and shifting, but in some cases also highly skilled (Scott, 1988). Because of the density of transactions, market instabilities, the role of local institutions and particular labour needs, such firms spatially agglomerated and, germane for our purposes, triggered a reciprocal process between the flexible specialised industrial complex and the place which it occupied. The production complex helped to make the place, but the place helped to make the production complex. Such reciprocity was the basis of the ‘synergies’ that Scott recognised.

Scott's later work has argued that the sector now best fitting this description is the cultural products industry, which includes the entertainment complex, clothing, automobile and furniture design firms, and printing and publishing (Scott, 1996, 2000). They are at the leading edge of "the new economy of post-fordism" (Scott 2006, p. 14). With respect to place, their significance is twofold. First, within the larger suite of flexible production activities, they are the ones most prone to place-based synergies. If place matters, it matters most to them. Secondly, one role of place in such industries is to stamp their outputs with a bottom-line saleable geographical prefix: *Hollywood* movies, *London* theatre, *Parisian* couture, *Venetian* glass. That is, place brands the product, allowing leverage of monopoly rents in pricing.

Richard Florida's later work *The Rise of the Creative Class* (2002a) makes a different argument. Key to the new economy is less the internal structure and internal dynamic relations of the wider production complex (Scott's contention), than a single critical input, labour. For Florida, the new economy is primarily the consequence of the creativity of those who work in it. Those who possess creativity ("the driving force ... in our economy and society", Florida, 2002a, p. 4) constitute the creative class and it is this class's aesthetics, values, aspirations and demands that determine where the new economy is found. As Florida (2002a, p. 223) writes, the places of the new economy are set "by the location choices of creative people—the holders of creative capital". Creative people come first and select where to live and work, physically bringing the new economy with them through their bodies and their minds. Agglomerations of new economic activity form not because of vertical disintegration, unstable markets and niche products, but "in order to draw from concentrations of talented people" found at places that possess the right qualities (Florida, 2002a, p. 220).

Clearly, this begs the question of what are the right qualities. For Florida the answer is:

What's there: the combination of the built environment and the natural environment ...
Who's there: the diverse kinds of people, interacting and providing cues that anyone can plug into and make a life in the community.
What's going on: the vibrancy of street life, café culture, arts, music and people engaging in outdoor activities (Florida, 2002a, p. 232).

In general, preferred sites, "quality places", are: "diverse, tolerant, and open to new ideas" (Florida 2002a, p. 223), "cosmopolitan" (p. 227) and at the micro-level possess a "vibrant street life, readily available outdoor recreation and a cutting edge music scene" (p. 260).

While the works of Scott and Florida are influential, highlighting the central role of place, neither pushes the argument as far as it should go. At a certain juncture, both leave to one side important issues around place specificity and contingency, which are, as we will illustrate in our Vancouver case study, crucial to understanding the new economy. The larger problem is that Scott and Florida in spite of their differences both attempt to provide a general theory of place and its relationship to the new economy. Scott's conception is bound to his wider theory of a capitalist transition to post-Fordism, entailing a particular logic of response involving firms and places. Florida also invokes a transition from "an older corporate-centred system determined by large corporations to a more people-driven one" based on "the rise of human creativity" and determining a particular geography of locational choices (Florida, 2002a, pp. 6 and 4). In both cases, there is a presumption of a generalised unfolding, of inevitability, that a root cause or logic necessarily operates across very different contexts. Change for both men involves moving from one broad category of defining features to another equally as broad. Subordinated by the emphasis on generality and necessity, however, are geographical

contingencies and specificities that enter into the very definition of the new economy.

Specifically, Scott and Florida underplay two kinds of geographical contingencies important to the new economy's formation and reproduction. First, those operating at the scale of the city as a whole (macro) and determining the existence of the new economy and its form. Scott never examines why flexible specialisation emerges in certain places. He tells you how the general process necessarily unfolds once it has begun, but not how or why it begins in the first place. Florida, in contrast, explains why the new economy is located within particular cities, which necessarily follows from the pooling of talent drawn to the quality place. Yet there is no account of the antecedent conditions of quality. Why, say, do Austin and Dublin have a cutting edge music scene and Pittsburgh does not? In both instances, there is a need to take a step back, to move away from generality and necessity to the specificity and contingency of the particular city.

Secondly, also underplayed are contingent specificities operating at the intraurban micro scale, taking the form of block-by-block variations in physical and social structures, yet determining particular locations and forms of the new economy and its consequences. While Scott recognises the formation of intraurban agglomerations, he does not relate them to specific contingent features and processes within the urban landscape. Agglomerations are marked on his maps, but precise locations are not explained. Florida is much vaguer and barely enters into discussion of the intra-urban geography of new economic activities beyond gesturing to their 'cool' locations. Further, he does not gesture at all to the micro-geographical consequences of social and economic displacement, dislocation and conflict that are generated by creative industries locating at particular sites (one of the themes picked up and elaborated in Peck's, 2005, epic critique of Florida's work). In contrast,

Scott (2006, p. 4) does recognise the "sharp social bifurcations ... associated with the new economy", but then fails to locate them, or to recognise that place-based synergies maybe malicious (a vicious rather than a virtuous cycle), or to interrogate the role of geographical contingency. Our argument is that the micro-geographical contingencies matter enormously for the new economy and its consequences, and that they are played out materially in the form of particular buildings, streetscapes, squares, parks, piazzas and landmarks. The micro-geographical is not incidental, but the stuff of study.

Our intention is to argue that the macro- and the micro-geographical specificities and contingencies are central to understanding the urban new economy. We shall illustrate this by means of our Vancouver case study. We begin with the macro kind.

Vancouver's Development: From Staples to Transnationalism

The influence of macro-geographical features on Vancouver's new economy derives in large part from the city's peculiar origins and structural growth, which are different from those of many other North American industrial cities. To use the Canadian economic historian Harold Innis's (1930) term, Vancouver first developed as a 'local metropole' within British Columbia's staples economy, based on the extraction, processing and export of natural resources, most prominently in forestry, fishing and mining. Vancouver's role was primarily a control and distribution centre for staples goods and only secondarily a processing site.

The corporatisation of the provincial resource sector after the Second World War was an important benchmark, generating a reorganisation of the economy, introducing new Fordist techniques, deepening and widening provincial affluence (bringing the 'good life' to BC) and expanding and solidifying

relations of control between Vancouver and the rest of the province. Following the post-war arrival of several US firms such as Kaiser Resources, Scott Paper and Weyerhaeuser, and with the emergence of home-grown BC corporations such as MacMillan-Bloedel and BC Hydro (created by the local state), a distinctive urban economic landscape was created in Vancouver. The CBD in the downtown peninsula was home to corporate offices, especially branch offices of firms the headquarters of which were located elsewhere, as well as financial services, including a stock exchange specialising particularly in venture capital for speculative mining operations (Figure 2).

Immediately to the north of the CBD was the harbour, linked to warehouse and transport functions for staples distribution (not all of which were produced in BC). To the south lay False Creek, also a hub for warehousing and transport, and intermingled with resource processing activities (such as sawmills and fish-packing plants) and heavy industry (such as iron and steel foundries and concrete plants). East of False Creek was

more warehousing along with light manufacturing. Consequently, Vancouver was never a classic industrial city even after Fordist industrial techniques were applied to the resource sector (Barnes *et al.*, 1992). Fordism occurred within the provincial staples hinterland, in scattered single industry communities, but only barely in Vancouver (Hayter and Barnes, 1997).

Within this matrix of Vancouver's specialised urban economic spaces, the area immediately east of the CBD (the Downtown Eastside) functioned as 'skid row' and was home primarily to retired, injured and temporarily unemployed resource workers. It was the oldest part of the city and made up of single residential occupancy (SRO) hotels, bars, cafes and low-end retailing establishments. An important exception, located right in the middle of the area, was Woodward's Department Store, an imposing red-brick building taking up two-thirds of a city block and constructed between 1903 and 1908 by the local retailing mogul Charles Woodward. Further east of the Downtown Eastside was Strathcona and, to the south, Mount Pleasant,

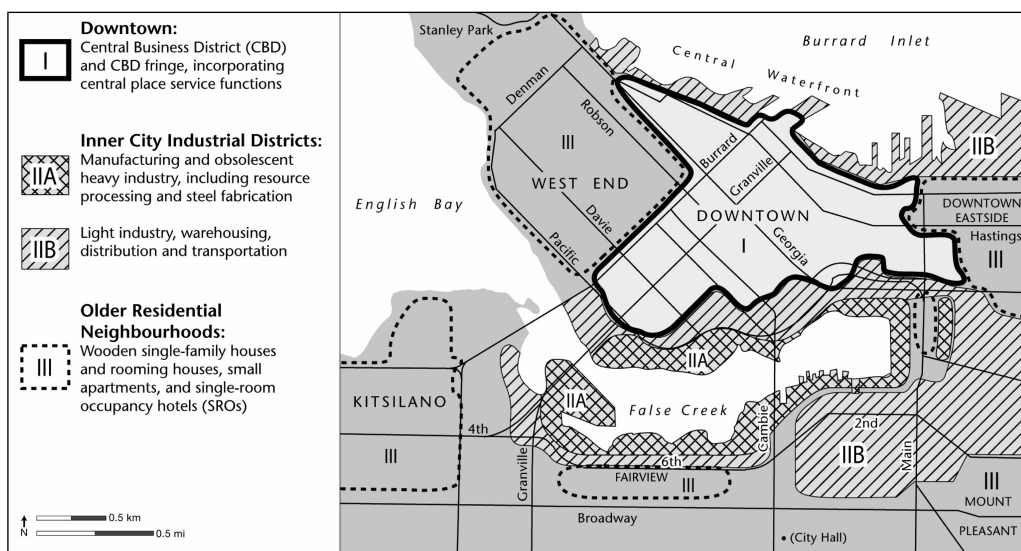


Figure 2. The structure of Vancouver's central area at mid-century.

Source: Hutton (2004b).

both working-class and immigrant neighbourhoods (including a long-established large and vibrant 'Chinatown') whose residents were employed in the staples distribution and processing activities found nearby.

It was against this particular division of labour and instantiated urban geography that events from the late 1970s played out in the form of four macro-geographical processes that subsequently shaped the current structure and location of Vancouver's new economy. These are

- (1) Vancouver's transformation to a post-staples economy (albeit not occurring in the rest of BC).
- (2) A significant decline in head-office employment within Vancouver and the emergence of a post-corporate CBD increasingly given over to residential land use.
- (3) The growing integration of Vancouver within flows of capital, migration and innovation circulating the Pacific Rim.
- (4) The initiation of gargantuan urban redevelopment schemes, and reflecting a pre-existing mega-project mentality of the province and nation fusing state and private capital.

While these characteristics are contingent, and specific to Vancouver, we will argue that they entered into the subsequent form and geography of the city's new economy. Understanding these four characteristics thus represents the stepping-back required before it is possible to step forward into Scott's and Florida's worlds of generality and necessity.

Contours of the Post-staples Economy in Vancouver

From the 1970s, all three BC staples industries—fishing, mining and forestry—began to experience serious difficulties. Overfishing meant that BC's rivers no longer ran red with salmon; competition—especially from South America—undercut investment in BC mining;

and, the forest industry that formerly produced 50 cents of every dollar made in the province was beset by a series of crises involving reduced timber supplies, prohibitive US import tariffs, Green-driven consumer boycotts, First Nation blockades, pine beetle infestations and the largest demonstration of mass civil disobedience ever seen in the province (Hayter, 2000). The consequence was a 'decoupling' of the Vancouver economy from the mainstay of resource production in the rest of the province (Hutton, 1997). There remain six fish-packers in Vancouver, but they are specialised and boutique, and are not the mass production canneries of the earlier period. Although there are glimmers of a revival in mining because of high commodity prices, over much of the period it was in serious decline, becoming a sunset industry. Even the availability of penny mining stocks at the VSE, and their infamous promotions, disappeared when the Vancouver Stock Exchange closed its doors in 1999 becoming the on-line Calgary-based Canadian Venture Exchange (two years later to be taken over by the TSX Venture Exchange headquartered in Toronto). Finally, there are no more saw-mills in the city, the last one, the White Pines Division of MacMillan-Bloedel closing in 1999. In fact, only 1450 jobs are listed for wood product manufacturing in 2001 for Vancouver City (representing a paltry 0.46 per cent of the total number of jobs for all sectors; City of Vancouver 2006, information sheet 1.1.10, p. 2). In contrast to the secular decline of resource industry employment is a dominant professionalisation of the Vancouver workforce, especially pronounced in the inner city, although a somewhat slower growth of lower-level service workers suggests a parallel polarisation experience (Table 1.)

Outside Vancouver, in the rest of the province, single-industry communities struggled for their very survival in the face of the reversal of fortune in staples (Hayter, 2000). Apart from during the first half of the 1980s, however,

Table 1. Vancouver workforce employed as professional and low-level service workers, 1971 and 2001

Area	Professional			Low-level service workers		
	1971	2001	Change	1971	2001	Change
Inner city	4 895 [0.168]	23 680 [0.440]	18 785 [0.272]	4 395 [0.159]	8 010 [0.159]	3 615 [—]
City of Vancouver	27 060 [0.164]	86 985 [0.369]	59 925 [0.205]	24 770 [0.162]	35 860 [0.162]	11 090 [—]
Vancouver CMA	81 190 [0.170]	320 695 [0.305]	239 505 [0.135]	57 845 [0.131]	156 190 [0.145]	98 345 [0.014]

Notes: Number of workers, shown as a proportion of total workforce [in brackets]. Occupational definitions based on groupings of census variables by Alan Walks and Markus Moos.

Source: Markus Moos' calculations using statistics canada census-tract data (1971, 2001).

Vancouver fared much better. It has done so by decoupling from the province and becoming a post-staples economy. Manufacturing was never that significant for Vancouver, anyway. It happened elsewhere—in the periphery. As a result, the new (post-Fordist) economy did not have to compete with or displace an existing urban Fordism. The ground was already clear, available for planting other forms of economic activity, and—nurtured by the city's changing macro geography—it became fertile space.

Globalisation and the Post-corporate City

Relatedly, Vancouver became increasingly post-corporate, a residual of global forces, inserted through filters of local factors. In part, this was precipitated by the failing staples economy and the lack of established alternative non-resource-based corporations located in Vancouver. US-based corporations began to leave the city from the mid 1970s—seven left within just forestry between 1975 and 1987—and, in 1981, BC's home-grown corporate giant MacMillan-Bloedel was taken over by Toronto's Noranda Corp. This began a slow process of corporate hollowing-out that endured until Weyerhaeuser finally

put the firm out of its misery by taking it over on 28 October 1999 and dismantling its head office (Pitts, 2006). The interim was a slow death. W. R. MacMillan, one of the firm's founders, had himself supervised the construction of the new corporate home, the MacMillan-Bloedel Building on West Georgia Street in 1968, with the head office occupying 11 of the building's 27 storeys.³ However, as the staples economy turned sour, liquidity problems forced the company to sell the building in 1983 for CDN\$ 63 million and, from that point, staff at the head office declined. By 1999, just before the sale to Weyerhaeuser, there were only 250 head-office employees and after the sale there were only 80, occupying a mere single floor. This is only one illustration, but it reflects a larger trend. Vancouver lost 30 per cent of its head-office jobs between 1999 and 2005, falling from 16 894 to 11 983 employees (and it was the only major Canadian city to lose jobs in this category; Statistics Canada, 2006). Only four new office blocks have been constructed in downtown since 1991.

The reverse trend is the conversion of existing office buildings into condominiums because of growing demand for downtown housing. For example, the iconic modernist BC Electric Building, former head office of BC Hydro, was converted to condominiums in

1994 and a similar fate has befallen the cube-shaped Westcoast Transmission Building (now known as the 'Qube').⁴ So concerned by such conversions and more generally by the prospect of a city without head offices, Vancouver's city council passed a moratorium on downtown residential development in May 2004. Councillors feared that Vancouver was becoming a city where no one had proper jobs, a city of only cafés and stunning mountain and ocean vistas from condominium high rises. There were proper jobs, however, but the idea of a proper job needed revising. Employment was increasingly focused within an SME economy in which there were no head offices as such. Both the city as a whole and the downtown increased its number of jobs by over 30 per cent from 1971 (City of Vancouver 2006, information sheet 1.3 pp. 2–3). It was not that the city was becoming jobless, but that the character of jobs was changing, moving away from head-office 'suits' to the new economy of the sometimes sartorially challenged. Moreover, as we will explore more fully later, there was a physical connection between the expansion in the downtown residential landscape and the emergence of an SME economy increasingly made up of new economy firms.

Transnationalism and its Imprint in Vancouver

Vancouver from its beginning in 1886 was connected with the Pacific Rim, represented especially by immigrant workers particularly from China and Japan and, to a lesser extent, from India. By 2001, the city had the highest percentage of visible minorities of any in Canada, just under 37 per cent. More than half are of Chinese origin (53 per cent) and almost a fifth of East Indian origin (18 per cent). (A third of Vancouver's residents are of Asian ethnicity.)⁵

The link with Asia embedded in Vancouver's very mix of population has become increasingly important over the past 30 years. The city

is now a node within a larger vibrant network of Pacific Rim flows of people, money and ideas. The state at all levels has been an important lubricant fostering trade missions, investment incentives, educational exchanges and opportunities for migration. Particularly important recently has been the state's role in managing the large inflow of entrepreneurs, primarily from Taiwan and Hong Kong (the latter prompted in part by the handing-back of that territory to China by the UK in 1997). Apart from the existence of an established community of ethnic Chinese in Vancouver, this class was persuaded to move to Vancouver because Citizenship and Immigration Canada added in 1986 an entrepreneurial stream to its Business Immigration Programme (BIP, originally created in 1978) (Ley, 2003, 2006). The programme grants applicants and their families landed immigrant status provided that they either start a company or invest financially in the province in which they reside. According to Citizenship and Immigration Canada, the programme injected over CDN\$ 1 billion into the BC economy between 1990 and 1998, creating 25 000 jobs, with two-thirds of the investors from (in rank order of importance) Hong Kong, Taiwan and Korea (Ley, 2006, p. 748). Moreover, such "immigrants were regarded not only as a source of capital but also as pioneers of high technology and value-added production for export" (Ley 2003, p. 429). While Ley (2003) makes a strong case that these figures of achievement are not as strong as they appear, the larger point is that Vancouver since the late 1970s became ever more incorporated within especially the Chinese *diaspora's* movements, flows and courings around the Pacific Rim (Mitchell 1995). Vancouver's new economy is tethered to larger gyrations and is not simply emerging hermetically on site as a result of the internal logic of production or the pooling of faceless talent captured by a café culture and breathtaking views. Something else is going on and it is stemming from Vancouver's

relational geography and cultural history linked to the Pacific Rim on which the city is perched.

Mega-projects and the Relayering of Capital in Vancouver's Core

Where Vancouver's history as a site of staples production and Vancouver's geography as a node in the Pacific Rim come together, is in the mega-project redevelopment schemes currently reshaping its landscape and in the wash influencing the formation and location of the new economy. Staples production in the past frequently involved state intervention in conjunction with private capital to provide the necessary infrastructure for the extraction, processing and distribution of natural resources. Those investments in infrastructure, often very large, resulted in a mega-project mentality—an endemic feature of the Canadian staples state whether at the federal, provincial or municipal level (Clark-Jones, 1987).

Such a mentality has been long apparent in Vancouver, encouraged by provincial and federal governments. It remains potent in spite of the fall of the staples economy in the city. Vancouver's World Fair, Expo [19]86, was just such a mega-project and was associated with another one, the automated light rapid transit (ALRT) 'skytrain' transport system completed in 1985, costing over a CDN\$ 1 billion and jointly funded by the federal and provincial governments. It was out of Expo 86 that another mega-project arose, albeit undertaken primarily by private capital, Concord Pacific's redevelopment of the north side of False Creek, abutting Yaletown (Olds, 2001). The area was originally home to railway yards, warehousing and some staples processing and heavy industry. However, in the early 1980s, it was acquired by the province for the development first of a domed stadium, BC Place, and later the World Fair. The 84-hectare site was sold in May 1988 for CDN\$ 320 million to the Hong Kong multi-billionaire property developer Li-Ka Shing,

who had established Concord Pacific with his son Victor as head to carry out the redevelopment. Still in process, the mega-project will house 15 000 people; it incorporates 3 km of seawall walks and 20 hectares of parkland. The total cost of construction is estimated at CDN\$ 3 billion. The Concord Pacific development fundamentally changed the adjoining Yaletown and has also made incursions into the fringes of the Downtown Eastside. It has become the literal home to many employees in the new economy and changed the geographical texture of surrounding neighbourhoods to encourage its location.

In summary, Vancouver did not become a new economy node out of the blue, a result of the latest version of capitalism rolling into town. It is more complicated and is bound up with its historical and geographical identity which is both specific and contingent. What we have tried to show is how that specificity and contingency both prepared Vancouver for the new economy and also entered into its form.

Spaces and Places Inside Vancouver: The New Economy

Over the quarter-century since the collapse of staple processing and allied activities, a new economy of specialised cultural production turning on design, creativity and talent emerged within Vancouver's CBD fringe and inner city (Hutton, 2004a and 2004b). As in other cities, the industry experienced marked volatility, suggesting processes of 'precarious reindustrialisation' that contrasted with the more entrenched production structures of the archetypical industrial city. Amid the punctuated episodes of restructuring, the new economy of the inner city emerged emphasising experimentation, innovation, creativity, applied design and the synthesis of production and consumption.

In the process, the old post-industrial asymmetry of a hegemonic corporate office

complex situated within the CBD was supplanted by a more complex geography of production, comprising multiple sites and specialisations (Figure 3). These sites represented the formation of new industrial districts, evoking structures and operations discussed by influential scholars from Marshall to Markusen, and characterised by industrial specialisation, clustering and the social dynamics of innovation. While some of these industries and firms located in the CBD proper, taking advantage of vacancies created by the attrition of head offices, the preponderance of new economy firms were established within the old resource processing, warehousing and distribution districts of the inner city, a legacy, if an unintentional one, of the city's post-staples development path. These include sites of principal creative production, primarily in the downtown peninsula, and more diverse areas that perform crucial supply and service functions. These include the area south of Granville Island and the Mount Pleasant industrial district, False Creek Flats—designated as a high-technology district by the

city in 1999 just before the tech-crash—as well as an important cluster of artists' studios and galleries in the heritage district of Strathcona, and a gritty zone of generally low-wage garment production and food and beverage processing between Hastings Street and the Central Waterfront.

The important point for our purposes, and mirroring our discussion in the previous section, is that critical to the establishment of the new economy in Vancouver's inner-city spaces were specific micro-geographical contingencies. To illustrate them, we focus on two particular districts that illustrate the specificities of Vancouver's regeneration and dislocation: Yaletown, nestled between the Concord Pacific mega-project and the Downtown South residential district; and Victory Square, an interstitial site on the borderlands between the CBD fringe and the Downtown Eastside. To be sure, we can readily identify imprints of the pervasive innovation and restructuring experiences of the past two decades in both territories, including elements of the technology-driven

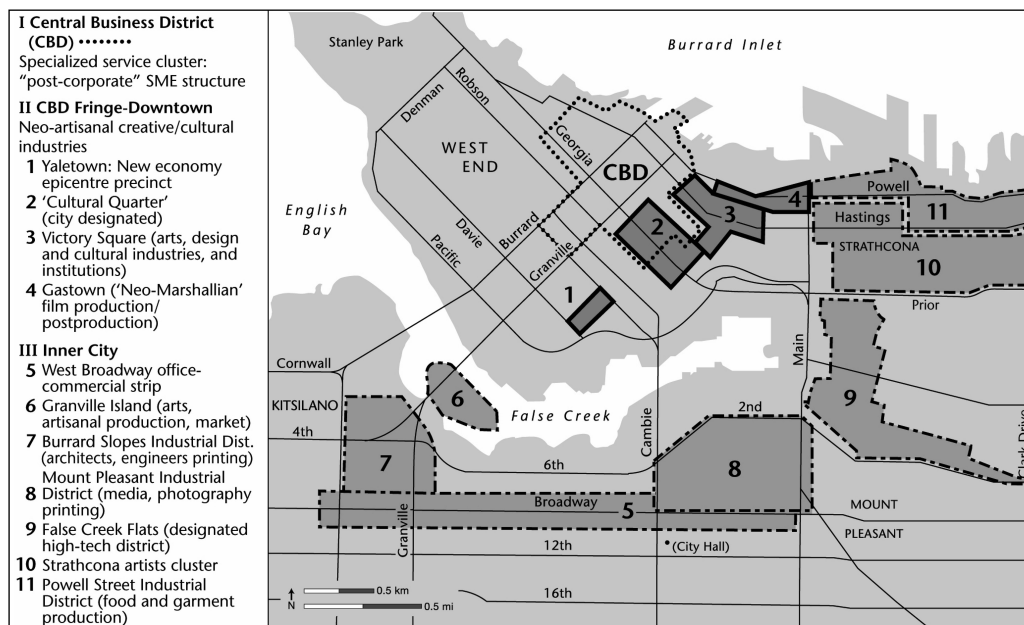


Figure 3. Specialised production districts in Vancouver's metropolitan core, 2007

new economy, the creative industries of the cultural economy of the city and the industrial and institutional characteristics of the knowledge-based economy. That said, contrasts are as important as commonalities in the trajectories of Yaletown and Victory Square, reflecting the contingencies of site, situation and path dependency for each and producing materially different outcomes for workers and for proximate communities.

Yaletown: Scripting a New Economy Storyline

Yaletown's provenance as headquarters of the Canadian Pacific Railway in the late 19th century, made it well placed to service the transport and distribution needs of North False Creek's burgeoning forest products processing and manufacturing sector. With the establishment of larger marshalling yards in False Creek Flats, Yaletown's specialised transport function became less critical and the area evolved around the turn of the 20th century as a general industrial site including a working-class residential district. Yet over the second half of the 20th century, Yaletown experienced secular decline, supplanted by the rise of larger and more modern industrial districts in East Vancouver and along the Central Waterfront and Fraser River. Increasingly Yaletown specialised in wholesaling, trading and allied activities developed along streets such as Homer and Mainland, offshoots of the burgeoning commercial functions of Vancouver's downtown. The City's comprehensive inner-city rezoning in 1973 from high-externality manufacturing and processing to medium-density, mixed-income housing, signalled the terminal stage of Yaletown's industrial history. The clearing of obsolescent industry from False Creek North (adjacent to Yaletown) for Expo 86 was the final act.

Yet out of the ashes, or more accurately polluted soil, of False Creek North, materialised

the formative elements of a new specialised production economy. Yaletown's revival started modestly enough, with an influx of artists and writers in the 1980s. Its attractions included what Robert Lemon described as the highest-integrity heritage built environment in the city, including warehouses and loading bays, each the subject of a preservation guideline enacted in 1986; as well as an intimate spatiality encouraging social interaction and personal identification with place.

Yaletown's evolution as a favoured site for creative workers was further enhanced with the expansion of amenities in the area following the approval of the seminal Central Area Plan in 1991. Generous urban design guidelines for the nearby Downtown South district, including a new park and other public spaces, coupled with the establishment of a dense assortment of upscale restaurants, coffee houses and fitness facilities, lubricated the emergence of an amenity-seeking professional design sector in Yaletown. The onset of professionalisation predictably inflated rents, displaced some of the artists and marked the first stage in a sequence of restructuring in this micro-scale inner-city site. Initially at the forefront were interior designers and architects, part of a larger exodus of architectural practices from the modernist confines of the CBD's corporate office complex to the more textured spaces of Vancouver's inner city. Within a decade, Yaletown moved from being a backwater, a 'grungy', semi-industrial district on the edge of downtown, to an area on the leading edge of the new economy frontier, with a *cachet* both for firms and their employees who increasingly experienced the 'loft-living' (Zukin, 1982) the area now provided.

From the late 1990s, joining (and to a large extent superseding) the professional design firms of Yaletown were the signature industries of the *fin-de-siècle* new economy: software developers, Internet service providers, web-designers and computer graphics and imaging

companies, as well as a selection of video game enterprises. The intensification of production enterprises was matched by a corresponding upgrading of consumption amenities within and near to Yaletown—from restaurants to fitness worlds, from botox clinics to upscale supermarkets selling Parisian baked bread for CDN\$ 100 a loaf—and comprising the commercial-cultural infrastructure of all inner-city new economies from Shoreditch to Singapore. In response, Yaletown's property market experienced another sharp rise, equalling (or perhaps even exceeding) rent values for the CBD.

As is well known the tech-boom suffered a crash even more precipitous than its ascent in 2000–01, owing to oversupply, inflated technology stocks values and excessive hype. The crash swept away much of the platform of new economy firms and the high-flying entrepreneurs, 'techies' and 'neo-artisanal' workers who shaped these leading-edge ensembles of production and contributed to the insistent re-imaging of place as well as economic space in the 'new inner city'. The eradication of Yaletown's dotcoms followed a similar process to that experienced in other inner-city new economy sites, including Silicon Alley in Manhattan (Indergaard, 2004), South Park and SOMA in San Francisco (Pratt, in this Special Issue), and Telok Ayer in Singapore (Hutton, 2004a), demonstrating that restructuring and contractions had a global reach, as had the earlier reassertion of specialised production in the core. For a time at least, the closure of new economy firms that occupied the upper floors of Yaletown's heritage landscapes during the heyday of the tech-boom generated a legacy of vacancies and an apparent check to the apparently robust economic regeneration of the 1990s.

Although the loss of Yaletown's firm base in the wash of the new economy meltdown was substantial, recovery in the early years of the 21st century was rapid, abetted by local contingency as well as by the more widely

experienced resurgence of the cultural economy of the city. While much of the late 1990s base of dotcoms was gone, the technological deepening of cultural production and creative labour represented a more durable legacy of the new economy phenomenon. A roster of apparently more robust creative industries, including computer graphics, video games and second-wave Internet firms (Internet 2.0), now figure in the micro-space economy of this epicentre site (Figure 4). Yaletown's social repute and cultural position within Vancouver's inner city was if anything enhanced, adding to its drawing power for start-ups as well as established firms. Interviews within a panel of creative industries participating in a survey programme conducted 2003–04 confirmed that Yaletown was widely acknowledged as the elite site for creative industries within Vancouver's central area, notwithstanding the high rents and the competition for its space. Tracking the location and relocation of creative firms in the inner city strongly suggested that Yaletown was the most prestigious address for a range of specialised creative industries. As another measure of its standing, Yaletown experienced a territorial expansion, from a few blocks of authentic heritage built environment in 1986, to an enlarged 'New Yaletown' recognised in the central area plan of 1991 and, finally, to a 'Greater Yaletown' which in the current City Metro Core Area jobs and land use study encompasses almost a quarter of the downtown.

Yet it is not all just refurbished tasteful brick buildings, Starbucks outlets and cosmetic dentists. There is also displacement and, as Yaletown expands in area, encroaching the very boundaries of the Downtown Eastside, so displacement and the conflicts it engenders increase.

Internationally, the experience of dislocation ranges along a continuum, with Telok Ayer at one end (essentially little or no displacement, as the residential population had already relocated to new HDB estates), to SOMA, where

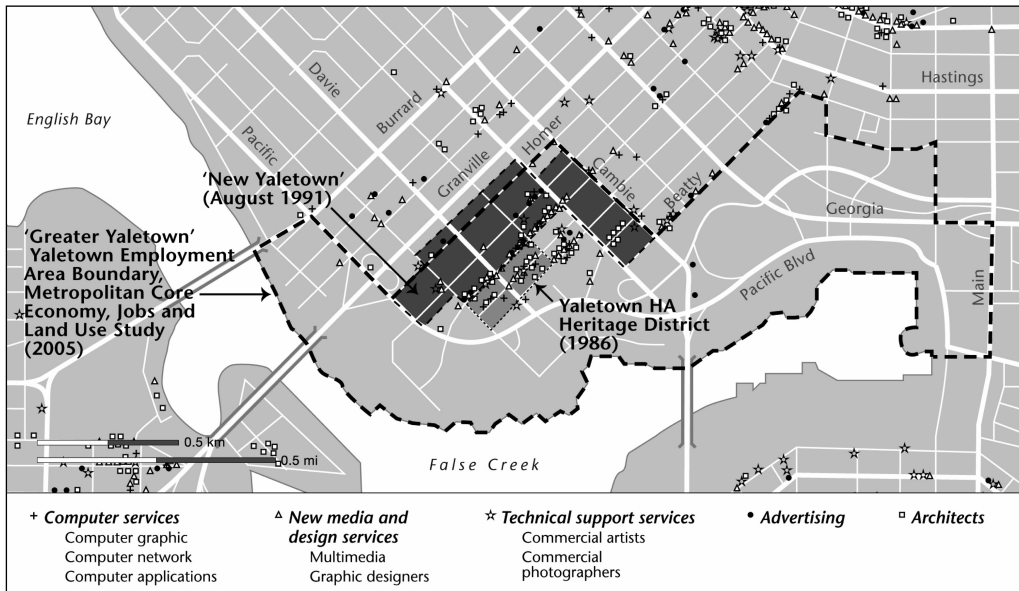


Figure 4. Distribution of firms, selected industries, for Yaletown, 2004

the dotcoms and *faux* live-works ran roughshod over long-established, marginal residential communities and businesses alike. Within this context, Yaletown lies somewhere in the middle. The district abuts the new high-rise communities of Concord Pacific Place and Downtown South, so the classic scenario of direct displacement does not obtain. However, even in this gilded place, the incursion of professional design firms in the 1980s forced rent increases which squeezed low-income residents. The technology-driven new economy phase of the 1990s also produced its share of dislocation. In one example of transition and succession, Radical Entertainment, a major video game developer, occupied a former male brothel in Yaletown, before relocating to larger premises in the Main and Terminal Area, to accommodate its expansion. From a local labour market perspective, the privileged position of many of Yaletown's firms supports (at least at the managerial and senior professional levels) a residency in the upscale condos in this area, although many younger, lower-salaried

workers are obliged to commute from more distant neighbourhoods. In the Yaletown case, the most active form of dislocation lies in the stratospheric price points for property and premises, which in effect filter out all but the best-performing companies and their constituent workforces, an example of 'industrial gentrification' which Andy Pratt has chronicled in the Hoxton-Shoreditch case (Pratt, in this Special Issue).

Victory Square: Edgy Production Space in the Inner City

If Yaletown's storyline suggests the contours of a spectacular reindustrialisation, then Victory Square offers a quite different narrative: a slower, but perhaps in the end just as relentless, infiltration of the arts, creative industries and cultural institutions. This latter case lacks the glamour and sizzle of the contemporary Yaletown experience and, instead, exhibits a more socially visceral process of change, replete with tension, conflict and dislocation and (until recently) a more incremental pace of development.

A century ago, Victory Square occupied a place in the heart of the city, a vibrant commercial core of banking and other office activity, major retail outlets and restaurants. Woodward's Department Store, located at Hastings and Abbott, was the principal retail magnet, but a host of smaller stores complemented the area's retail sector. In the years preceding the First World War, Victory Square boasted office towers which ranked among the highest not just in Canada, but among the far-flung territories of the British Empire. These iconic buildings included the Dominion Building (TD Bank) on West Hastings, the pre-eminent commercial axis of the young metropolis, and the Sun Tower on Beatty Street. Victory Square's location just behind the central waterfront of the Port of Vancouver and close to the CPR station linking Vancouver to other Canadian cities strung out along the 5000 km of the dominion, added to the energy and dynamism of this central district of the burgeoning city.

However, the history of commercial development in the heart of the city includes disjuncture as well as continuity, which the Victory Square experience exhibits in particularly instructive ways. There are many complexities to the story, but the principal lineaments of the district's post-war decline are clear enough and reflect structural changes in the economy of the city and the province. First, the rapid expansion of suburban shopping malls in metropolitan Vancouver robbed Victory Square of its retail customer base. (Canada's first suburban shopping mall, Park Royal, was constructed in 1950 in West Vancouver.) Secondly, a major corporate office complex catering to the administrative, financial and service needs of a vibrant provincial staple economy emerged in the 1970s centred on Georgia and Burrard Streets, far from the constrained terrains of Victory Square. Thirdly, there was the development of a high-rise apartment district in the West End from the 1950s, enabled by an earlier

rezoning and shifting the locus of redevelopment farther from Victory Square. Finally, the City's rezoning of False Creek South from obsolescent industry to mixed-income, medium-density housing reinforced the western reorientation of the city's core. Within the space of a couple of decades, then, the significance of Victory Square declined, becoming increasingly marginal to both the economy and new social forces of urban development in Vancouver.

While Victory Square's banking and commercial functions had contracted to a vestigial presence by the 1970s, the retail function anchored by Woodward's continued for a time, supported in large part by the traditional working-class communities of East Vancouver. However, this important stabilising force was also in decline, in part owing to the secular contraction of manufacturing and processing in the city and a corollary erosion of traditional blue-collar neighbourhoods. Gentrifiers and new immigrant groups supplanted the old European working-class communities of East Vancouver and generated *inter alia* new consumer behaviours, including preferences for retail outlets along Commercial Drive and Main Street and, later, big box retailers in the City. With the closure of Woodward's in 1993, the decline of Victory Square entered an apparently terminal stage, with the boarded storefronts along West Hastings projecting a distinctly derelict imagery in this one-thriving heart of the city.

The seminal Central Area Plan approved in 1991 initiated a comprehensive development of Vancouver's core. It included development of the new high-rise communities of Concord Pacific, Granville Slopes and the Downtown South, so adding to the momentum of Yaletown; missing was a compelling vision for Victory Square. A draft local area plan for Victory Square in 1995 captured the intensely problematic nature of the district's development, with the apparently unbridgeable interests of key actors—the thousand

or so low-income residents of SROs, the redevelopment aspirations of landowners and the preservationist tendencies of the city's heritage community—offering no obvious point for compromise. In the absence of a planning programme, Victory Square embarked on an incremental process of change that included the encouragement of artists and designers, envisaged as a necessary step in establishing a zone of film production industries (another nascent component of the city's new economy and promoted by a cheap Canadian dollar and favourable provincial tax breaks—'Hollywood North'). The favourable rent structure of Victory Square relative to the more upscale spaces of the 'new inner city' on the north shore of False Creek attracted many of the start-ups, while others expressed a preference for a mixed social morphology and streetscape not manifestly dominated by members of the new middle class.

A second and allied development pattern for Victory Square took the form of institutional expansion, including creative and cultural industry agencies, as well as outposts of Vancouver's knowledge economy. These included the Vancouver Film School on West Hastings, the Architectural Institute of British Columbia and an office of the UBC School of Architecture, attracted by the heritage built environment, grittier than Yaletown, but conducive to the creative class for all that, and by the historical ambience of the city's old commercial core. For some of these agencies, a location in Victory Square also signified a commitment to a marginalised community, an expression of confidence in an upwards trajectory of development following decades of decline. Indeed, this locational commitment was in some cases part of the institutional mandate.

While social housing advocates pressed for non-market housing, adaptive re-use favouring businesses and upscale housing comprised the defining development modality.

This included the recolonisation of the Victory Square's pre-eminent heritage office towers by scores of small enterprises, including new economy firms such as Internet providers and software developers, environmental NGOs and CBOs, and new media firms, including at least one alternative newspaper, the *Tyee*. Irrespective of ideology, though, these new enterprises presented a glossy contrast to the tradition of more overtly counter-cultural entities based in the area, including the BC Hemp Party and Spartacus Bookstore, a bastion of Marxist literature and a successor to the long-established Enver Hoxha bookstore which perished only after the fall of the Soviet Union and the Comecon world.

These processes of regeneration in Victory Square, although substantive enough in the aggregate, comprise for the most part incremental change, events occurring at the block, building and even individual parcel scale (Figure 5). However, the cumulative force of these changes, including the contemporary inflow of arts and design firms and institutions, is establishing a more comprehensive redevelopment, substantially accelerated by the Woodward's project.

After Woodward's went bankrupt and closed in 1993, there was considerable controversy over the site. The original developer wanted to refurbish the building and construct 350 separate market-based condominium units. Downtown Eastside community groups wanted social housing. After continual roadblocks to development, in 2001 the developer, Fama holdings, sold out to the then left-wing NDP provincial government for CDN\$ 22 million which began refurbishing the building for social housing. The provincial Liberal party on a neo-liberal agenda, however, took over power in May of that same year and cancelled the refurbishment scheme, putting the building back on the market. In the meantime, homeless from the downtown eastside began squatting in the building. In the late

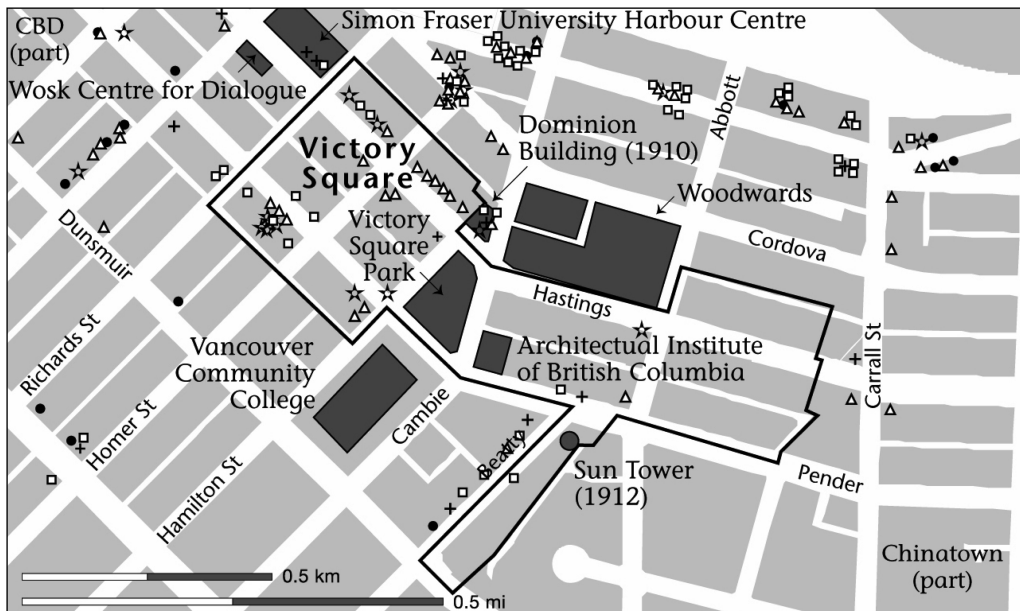


Figure 5. Distribution of firms (selected industries) and institutions for Victory Square, 2004

summer of 2002, the police forcibly evicted them resulting in a 'tent city' erected around Woodward's by the homeless (some estimates were of 200 people living under canvas; Blomley, 2004). The city threatened to tear the tent city down and move people on (to where?) but, in November, the left-leaning COPE council was elected under Larry Campbell and the dispute was peacefully settled in December (2002). After much negotiation, the city bought Woodward's from the province for CDN\$ 5 million in 2003. In September 2004, the City Council chose Westbank Projects/Peterson Investment Group as the developer for the Woodward's project. The project calls for a mix of 500 market and 200 non-market housing units (a combination of both family and single units). Also included in the proposal are shops and services, community amenity space, public green space, a daycare centre and the SFU School of Contemporary Arts.⁶ (On 30 September 2006, most of the Woodward's complex was demolished to make way for the new development, save for the original section of the building at the

corner of Hastings and Abbott Streets, and the comprehensive redevelopment of the site is now under way.)

At one level, the Woodward's project might appear to bring together all the disparate social elements of Victory Square catering to the interests of: the heritage conservation advocates (the original 1903 wing of the building was saved from dynamite); the new middle class of the inner city (the 500 market housing units were sold in a day); low-income groups (200 units each having its own separate entrance and exit) and the knowledge economy and creative class (the links to Simon Fraser University). Moreover, the retail demand generated by the Woodward's project is likely to lead to the rehabilitation of the dilapidated West Hastings street front. Victory Square will never achieve the eminence of Yaletown, either as site of industrial innovation or as Rodeo Drive simulacrum, but its new trajectory of socioeconomic upgrading is inevitable.

While not denying the regenerative potential of new industry and housing, the dislocative

influence of redevelopment in Victory Square has been and will be substantial. Within the district, the cumulative impact of redevelopment is one of socioeconomic upgrading, shaped by the professionalisation of the workforce and by the inflow of more affluent residents. These new social groups will in turn influence the quality of consumption and amenities in Victory Square, with a predictable effect of squeezing out low-income groups dependent on more basic service provision. Moreover, if the pattern observed in other upgrading areas holds true, the new middle-class cohorts will press for tighter security measures and control over the street-level disorder that characterised Victory Square in the past, perhaps no bad thing in itself, but amounting to a sanitising of the streets and reducing the tolerance level for marginal populations. These on-the-ground effects are reinforced by the relentless marketing programmes of real estate and property development firms keen to re-image Victory Square and its environs. The new housing in Woodward's, for example, was advertised as 'intellectual property' by the lead marketing agency, a perhaps enigmatic designation, but evidently a successful one. There are also clear spillover effects as an adjacent area on the border of Victory Square and Chinatown was relabelled 'Crosstown' to overcome its 'skid row' taint. More strategically, however, new industries, institutional expansion and the Woodward's project extend the high-impact inner-city redevelopment of Vancouver ever-closer to the most deeply deprived areas of the Downtown Eastside farther up Hastings Street and into parts of Gastown and Strathcona.

The Uses of and Limits of Contingency as Analytical Tool

As a final exercise in our study, we can draw together our storylines of the Yaletown and Victory Square cases, to offer some suggestion as to how these play out at the interurban level of analysis. Within the Canadian urban system,

there are significant commonalities in terms of inner-city development both with Toronto and Montreal, with regard to the larger processes of industrial innovation, creative firm formation and the social reconstruction of the inner city. Nevertheless there are limits to the comparisons that can be made with Vancouver, as Toronto and Montreal are far larger than Vancouver, have a much longer history—by orders of magnitude in each case—and have also developed as industrial cities: a quite different trajectory from Vancouver's staples history, as we acknowledged earlier. Closer to home, the case of Seattle, situated about 225 km south of Vancouver in Washington State, points quite effectively to the saliency of contingency in the development of new industries within the inner city. Vancouver and Seattle are of roughly equivalent size (2.3 million and 2.8 million metropolitan population respectively), are positioned at the peak of the Pacific North West's urban hierarchy and share a distinctive staples economic history based on forest products, fisheries and resource export trade. Vancouver and Seattle each present a social morphology dominated by a new middle class of professionals, managers and entrepreneurs, shaped by service industries and employment, by urban transnationalism and, more specifically, by Asia-Pacific business and cultural influences on neighbourhood formation, kinship and external relations. Together, these regional factors have contributed to creative industry and residential community formation within the inner-city districts of both Vancouver and Seattle, as well as to the production of new spaces of consumption, experience and spectacle.

However, at a finer level of resolution, local contingencies make for significant contrasts. Unlike Vancouver, Seattle's development vector is decidedly *not* post-corporate and the latter's major multinationals (including Weyerhaeuser, Boeing, Microsoft, Starbucks and Amazon) are prominent features within

Seattle's inner city (and inner suburbs), producing spillovers within the metropolitan space-economy, including opportunities for sub-contracting for smaller firms. As a second point of contrast, Vancouver's zoning and land policies favouring integrated new high-rise residential communities, reinforced by investments in the public realm, have provided both complements (skilled labour supply, amenity and high-density social interaction) and competition (through the filtering of demand for space and property) for creative industries; these constitute a policy cluster that has no correlate in Seattle. Finally, although Seattle enjoys a progressive political tradition and high levels of social tolerance, its inner city bears a more intensely racialised character than does Vancouver and it operates within a more coercive law enforcement regime. There is a more intimate commingling of social and economic worlds in Vancouver's inner city than is the case in Seattle; and while Beltown offers some points of comparison as a new media district (Pope, 2002), Seattle boasts no such glittering exemplar of leading-edge industries, upscale housing and elite amenities as Yaletown. At the same time—and reinforcing our point concerning contingency—the degree of socioeconomic polarisation between Yaletown and other inner-city redevelopment sites, on the one hand, and the stark deprivation of the Downtown Eastside, on the other, exceeds that observed in Seattle's inner city, underscoring the clear need for micro-scale analysis of impacts, as well as for study of general processes.

Conclusion: Inserting Place in the Urban Space-economy

We attempted in this paper to demonstrate for the new economy of Vancouver's inner city the intimate relation between general process and the contingencies of urban place. Specifically, Yaletown and Victory Square show the futility of treating the new economy

as a discrete sector, separate from its urban surroundings. Instead, it is inextricably knotted to contingent elements and processes found both in the micro-geographies of specific city blocks and in the form of the larger city and its recent evolution, consistent with the trends observed in other cities (Evans, 2004).

While the spatiality of creative industries in Vancouver thus reflects more pervasive tendencies, local contingency is vital in shaping new industry formation. For Vancouver, it included: the legacy of the city's staple economy, evident in the adaptive reuse of former processing, warehousing and distribution infrastructure for new industries; the post-corporate downtown that enabled the infiltration of new industries in the CBD proper; and the transnational development trajectory of the city as a whole, which *inter alia* reconfigured Vancouver's labour force, property markets and external market orientation. The policies of the local state were also important and are seen in urban structure and land use policies which facilitated the comprehensive relayering of capital favouring the inner city and in programmes (notably in urban design) which attracted amenity-seeking firms and creative professionals. That said, the force of these local contingencies is in some ways problematic for the economy of the core, as social demand, building economics and the property market tend to favour high-end housing over other uses, and the City is now exploring ways of supporting employment in an increasingly residential downtown.

The differentiation in industrial structure and specialisation at the micro-scale in Vancouver's new economy of the inner city is also reflected in social outcomes. Together, the emergence of new industrial formations represents a significant regenerative element of inner-city redevelopment. Dislocation is also part of the story-line, as these new industries have in many cases been situated within or close to long-established residential

communities. Yet again, we must acknowledge the importance of site and situation in the production of dislocative tendencies. While displacement in the exemplary Yaletown case is by no means negligible, particularly in the initial phase in which artists and other low-income groups were forced out by the incursion of professional design firms, more recent cycles of change involve 'industrial gentrification' rather than pressures on residential communities. Yaletown's position adjacent to the new high-rise communities of Concord Pacific and the Downtown South limit the potential for social displacement. On the other hand, the Victory Square case shows the influence of incremental land use change on social upgrading *in situ*, as well as its part in the larger pressures of redevelopment in the DTES. And from a local labour market perspective, Yaletown's elite creative firms draw from the up-market residents of the area, while relatively few of the residents of the DTES possess the educational and advanced skill qualifications to participate fully in the new economy. The exclusionary implications of this labour market disjuncture are recognised and remedial efforts include vocational training, the DTES Vancouver Agreement, and provisions for training and hiring for the Woodward's project.

The British Columbia government has purchased 10 SRO hotels to provide security of tenure for at least a portion of the low-income population of Vancouver's inner city and to forestall the negative publicity that may arise from displacements associated with the 2010 Olympics. Still, the Yaletown and Victory Square storylines demonstrate extreme variation of the micro-scale contingencies of industry formation and social dislocation in the new inner city.

We can extract further value from our analysis of the Vancouver case of new industry formation within the core, derived from the survey of conditions and outcomes in two quite different sites, by means of a consideration of wider applications. It seems clear that

the processes of industrial experimentation and innovation examined here are positively enhanced by certain highly localised attributes of place, as well as by the more general development trajectory of the metropolis. These localised characteristics include the qualities of space and spatiality (such as intimacy of spaces, connectedness); the built environment (notably the supply of adaptable building stock), including both 'concrete' and representational' values; human capital (including 'talent' as well as other social and cultural factors); a functioning property market; supportive local agencies and institutions; and a local policy system responsive to the opportunities of change. The record of our case studies and selected sites amply demonstrates that these 'contingencies of causality' are relevant to an appreciation of the performance of local districts and sites in attracting new industries and skilled labour, observations broadly in alignment with studies of other cities and sites (see Ho, this Special Issue; also Hutton, 2008). At the same time there may be other contingencies which are quite specific to certain places, seen notably in the new economy business models and practices described by Indergaard in Lower Manhattan (this Special Issue), which would be difficult to replicate elsewhere.

Nevertheless, we also want to affirm the saliency of 'contingencies of impact' concerning the experience of new industry formation, which must include the socioeconomic conditions of nearby communities, the stock and price levels of housing, the vigour of local NGOs and CBOs, and commitments to retraining and other inclusionary labour market programmes. As seen in the London case (Pratt, this Special Issue), a strongly market orientation to local regeneration is conducive to high levels of 'churn' at the level of the firm and to 'industrial gentrification' tendencies; this is certainly the storyline of our Yaletown case and is creating its own dynamics of instability. Yet the greater social costs are observed in areas such as Victory

Square, districts closer to vulnerable residential communities, and typified by more low-margin enterprises and vulnerable start-ups; this latter scenario is the one more usually played out within the inner city (see Leslie *et al.*, this Special Issue, for a treatment of the Liberty Village–Parkdale case in Toronto). For many cities and sites, euphoria over conditions of the contemporary neo-Bohemias of creativity and convivial consumption must be tempered by an appreciation of the exacerbation of social polarity and deprivation which accompanies the reconstruction of the ‘new inner city’, among both developed and transitional urban societies.

Notes

1. Yaletown, (<http://en.wikipedia.org/wiki/Yaletown>; accessed 18 September 2007).
2. My Yaletown, and around, food and dining (<http://www.myyaletown.com/myyaletown/fooddining/fooddining.html>; accessed 18 September 2007)
3. The building was co-designed by Vancouver’s celebrated modernist architect Arthur Erickson whose intent was to create a Doric façade, but which the public nicknamed ‘the waffle weave’. It won the Massey Medal for Architecture in 1970 (Windsor-Liscombe, 1997).
4. Qube (<http://www.qubeliving.com/>; accessed 18 September 2007).
5. 2001 Census, Statistics Canada (<http://www12.statcan.ca/english/census01/products/analytic/companion/etoimm/subprovs.cfm#vancouver>; accessed 18 September 2007).
6. Woodward’s a new beginning (<http://www.city.vancouver.bc.ca/corpsvcs/realestate/woodwards/proposal.htm>; accessed 18 September 2007).

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