

## Restructuring Toronto: Post-Fordism and Urban Development in a "World Class" City

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During the 1992 World Series between the Atlanta Braves and the Toronto Blue Jays, New York Times sports columnist, George Vecsey, quipped that the "series prize should be the 1996 [Olympic] games" in true winner-take-all fashion. No matter which team won Vecsey wrote, "the great thing is that one insecure region is going to feel good" (1992: B11). Betting on a feel-good outcome is of course not an unknown strategy amongst the economic and political movers and shakers in Toronto. In fact, holding the 1996 Olympic games in Toronto would have been the logical outcome of a decades old strategy of economic development. The Blue Jay's state-subsidized "nest" in the Skydome is ample testimony to the impact of mega-project approaches to adapting the formerly industrial waterfront lands in the city to new post-industrial uses suitable for a "world class" city.

While the "Toronto '96" Olympic Games were not to be, the restructuring of the economic terrain of the Toronto waterfront has already succeeded in creating an environment of high-density condominium residential space, up-scale shops and boutiques, and a localized regime of flexible accumulation based in spectacle and cultural consumption.

*Todd*

Restructuring Toronto

The booming growth of the financial services sector during the 1980's prompted banks and real estate developers to take a further speculative gamble on the office and commercial real estate market. The subsequent expansion of the high-rise central business district (CBD) and the creation of satellite suburban office parks like the City of North York's "Uptown Downtown", were central in reshaping the city, both architecturally and in terms of the social structure of the work force.

Like any large city Toronto is home to a burgeoning arts scene which has become crucial to the economic growth strategy of the city. Certainly the most "world class" example of the use of culture for accumulation can be found in the rapid expansion of what might be termed the tourism/spectacle industry. Anchored in the Metro Toronto Convention Centre, the surrounding hotelier environs of the Skydome, and the emerging world class theatre district in which the "genius" of Andrew Lloyd Webber has found a near permanent venue, the development of Toronto's culture and tourist industry has mirrored the trajectory of other cities in the transition to what has been called "flexible accumulation" (Harvey, 1987; 1989: 141-197). The new space economies which were created in the downtowns of major urban centres during the 1980's were premised on intensified CBD development and the creation of zones of upscale consumption and international tourism. The map of post-Fordist urban growth has also been patterned on the nodal growth typical of Los Angeles--the emblematic postmodern urban "centre" (Soja, 1989). In Toronto, the intensive development of CBD and the waterfront tourist zone parallels developments in Boston and Baltimore (Casazza, 1983). The subsequent suburbanization of these phenomena, with the completion of the \$51 million North York Performing Arts Centre, and the "Golden Mile" strip of "Uptown Downtown" office space, while less dramatic than in Los Angeles, has been part and parcel of the move to the urban space of a new regime of accumulation.

This article explores the relationship between economic change and socio-spatial restructuring at the local level, focussing on Toronto during roughly the two previous decades. I examine the impact of the creation of new economic spaces on the political economy of the Toronto area. Implicit in the development of flexible accumulation is the creation of a "space" in which the new political and cultural systems of regulation can be articulated. By examining the ways in which the social forces and the specific locations of new economic growth are linked into the larger social formation, the political implications of the transition to a new regime of accumulation can be assessed, empirically and theoretically.

As an interdisciplinary form of "urban analysis" my focus is on explaining changes in what Jocelyn Létourneau terms the "space of accumulation" as a means of exploring the historical and material dimensions of the economic and socio-cultural shift to post-Fordist capitalism (1990).<sup>(1)</sup> Drawing on the work of David Harvey, I attempt to develop an application of regulation theory which is more sensitive to local politics and less exclusively centred on production relations. My emphasis here on the restructuring of the built environment of capitalism is by no means intended to slight the theoretical or political importance of production relations as formative elements in shaping post-Fordism. Instead the approach I adopt will highlight instances in which social relations in general can be seen to operate in the manner of Edward Soja's "socio-spatial dialectic" (1989). Urban space, in its creation and maintenance, in its role in the production of economic surplus, and in its specific cultural resonance, is not neutral. Indeed, as Soja notes, "social relations are both space-forming and space-contingent" (1989: 81).

In what follows I attempt to situate specific elements in the development of Toronto during the 1970's and 1980's within the larger historical narrative of the transition from a

<sup>1</sup> See *inter alia* the collections Scott & Storper (1989), and Smith & Faegin (1987).

Fordist to post-Fordist mode of economic development. The first section discusses developments in urban political economy and their bearing on our understanding of the process of economic restructuring. In the second section I focus specifically on the socio-spatial restructuring of Toronto. I suggest that two related spatial processes are at work in the local urban landscape - intensification of land use at higher density in the CBD, and the segmentation of urban space into a nodal pattern of concentrated, "selective" high-density uses. Connected to these are the social processes of sectoral shifts in economic activity and employment, and the state sponsorship of the creation of a new urban regime of accumulation, including developments in the "relatively autonomous" cultural sphere. In the concluding section I briefly take up some of the theoretical questions raised in the body of the paper.

### Fordism to Post-Fordism: Economic and Spatial Restructuring

Following the crisis of capitalist economies that began in the early 1970's, older industrialized countries (OIC) have been caught up in a continuous wave of restructuring and economic adjustment. The economic crisis has proved to be an opportunity for a move toward new forms of accumulation as firms rationalized operations by laying off workers, adopting a more aggressive approach to labour relations, developing new financial instruments, and embracing new production technologies. This process accelerated throughout the 1980's and early 1990's in Canada, giving rise to the Canada-US Free Trade Agreement (FTA), a North American free trade agreement (NAFTA), and massive economic restructuring. Some of the effects of this have been felt in the form of deindustrialization, sectoral shifts in economic activity, rising unemployment, and speculative, finance-based forms of accumulation. In the wake of these changes, trade

policy and a boosterist approach to the internationalization of the economy have largely replaced coherent industrial development policy at the level of the national state (Drache, 1991).

In political terms, the present round of economic restructuring involves the transition from a period of post-war growth based on Keynesian welfare-state intervention and relatively high-wage, unionized, mass production to one in which more "flexible" production arrangements are the norm. These developments have been variously theorized in comparative political economy as a shift from Fordism to "neo-Fordism" (Aglietta, 1979; Coriat, 1980), from Fordism to "post-Fordism" (Piore and Sabel 1984), or from Fordism to "flexible accumulation" (Harvey, 1987; Oberhauser, 1990). The shifting economic and analytical paradigms have their parallel in urban studies in which:

the study of urbanization and the city has, like other phenomena been directly linked to developments in the world-economy, the term "global" becoming as common in book titles as in the financial sections of newspapers (King, 1990: 3).

In the fields of urban political economy and industrial geography an important literature, dealing with the emergence of new industrial agglomerations, new "regimes of accumulation", and both sectoral and geographic shifts in economic activity, has grown out of the analysis of the restructuring of capitalist economies. The primary interest of much of this work has been in sketching out the features of the emerging political economic order (e.g., see Cooke, 1988; Leborgne and Lipietz, 1988). Considerable attention has been paid to regional shifts of economic power and the changes in labour markets and industrial structures within and between cities and regions. In the American setting "the Big Apple" (New York) and "the Big Orange" (Los Angeles) have served as the focus for this discussion (Soja, 1987; Davis, 1987; Sassen, 1991). In international political economy increased attention has been paid to the role of "global cities" which serve as

centres for coordinating the international movement of capital (Friedmann, 1986; King, 1990; Sassen, 1991). In the Canadian context, Toronto's growing role as a basing point for global flows of financial capital and its position as Canada's leading centre of economic activity, make the dissection of local changes important to a thorough understanding of the global forces which are shaping economic development throughout the country.

### Regimes of Accumulation and the Built Environment

As David Harvey notes, "investment in the built environment... entails the creation of a whole physical landscape for purposes of production, circulation, exchange and consumption". The local geography of capitalism is thus structurally linked to the economic processes and particular stages of development inherent in the capitalist mode of production (1989: 64). For Harvey, economic history and economic geography are linked. Cyclical periods of overaccumulation and subsequent creative destruction, the hallmarks of capitalism, are continuously overcome by new strategies for reshaping the time/space of accumulation. Temporal changes - new production techniques to speed capital turnover and new financial and marketing arrangements to speed circulation - are accompanied by spatial changes in the urban landscape (1989: 284-285). Restructuring has produced a novel urban form, but the links between built space and the economy are not as straightforward as they were in the immediate post-war phase of economic growth.

The historical success of Fordism in generating unprecedented economic growth is due partly to the successful political implementation of macro-economic principles governing the division of surplus into profits and wages. Mass production was able to develop because it linked gains in output (production) to an income distribution scheme that boosted demand (consumption). For the regulation

approach these links between productivity gains and the consumption of an improved standard of living constitute the Fordist regime of accumulation. As Delorme phrases it, a regime of accumulation:

is defined by the set of regularities identified at the level of the whole economy, which are articulated in a consistent way, enabling a more or less coherent evolution of capital formation, thus dampening and spreading over time the imbalances which permanently arise from the process itself (Delorme, 1991).

Under Fordism the regime of accumulation intensified. The high productivity growth that was necessary to intensive accumulation was concentrated in the core Fordist industries of the post-war era (automobile and consumer durables manufacturing). Wage formation became institutionalized in contractual arrangements between capital and organized labour. In the wake of social struggles, the state facilitated this process with social benefits, and a legislative framework which ensured certain collective rights for labour. Together, this institutional complex of labour law, welfare standards, and public policy represents the mode of regulation of Fordism.

The mode of regulation serves as the "materialization of the regime of accumulation taking the form of norms, habits, laws, regulating networks and so on" (Lipietz, 1986: 19) serving to systematize the social relations fundamental to the existence of a coherent economic system. Regulatory structures form an open and contestable system and it is in these same "codifications of social relationships" that the concrete and politically contingent foundations of capitalist economies are sustained. While the regulation perspective does give theoretical priority to production relations, it is always in the context of the "configuration" of political, economic, and sociological factors underlying the mode of regulation. This allows for links to be made to the geography, culture and politics of successive regimes of

Fordist and post-Fordist economic development. Economic disparities both at the regional and local levels, clearly indicate the spatial heterogeneity inherent in capitalist economic development. This heterogeneity is evident in the extent of local variations in the strength and organization of the labour movement, and the level of public and private investment in the built environment. This unevenness operates at the level of the global/regional organization of capitalism into core and peripheral zones, but is also manifest in place - in the variable historical "layering" of urban built space brought about by successive stages of capitalist development in the same locale (Massey, 1984).

In probing the connections between economy, space, and social structures, scholars in the field of critical economic geography have perhaps most thoroughly explored the transformations which have marked cities over the last two decades. For Edward Soja for example, the structural crises of Fordism and the economic strategies adopted by capital play a formative role in the social conflict and the spatial dynamic of contemporary urban development: economic restructuring is linked to the spatial restructuring of the urban built environment. The urban space of Fordism was marked by accelerated suburbanization and expansive metropolization, and contributed to the devaluation of pre-existing physical capital in the CBD. The manufacturing industry restructured operations, relocated to the urban periphery, and continually refined and expanded the mass production techniques of the Fordist industrial model. As a result, city centres also experienced:

persistent ... "revitalization" - through urban renewal, gentrification, and changes in landownership and regulatory patterns aimed at maintaining a substantial corporate (and managerial) presence (Soja, 1989: 181).

The extent of the devaluation and spatial restructuring of existing physical capital during the 1970's varied from

place to place. In many American cities the process reached the stage of a wholesale abandonment of the inner city. Not only were industries adjusting to the larger physical plant requirements of mass production leaving, but corporate headquarters and retail trade were relocating as well. In many centres this devaluation was actively resisted through an organized effort of the local state and capitalist interests. This was the case in Toronto, where a Redevelopment Advisory Council was set up in 1960, headed by Allan C. Burton, chair of Simpsons Limited. Composed solely of the members of the business elite, the RAC foresaw growth in the service sector, concentrated in finance, insurance and real estate (FIRE), and banking, and called for a doubling of downtown office space.<sup>(2)</sup> The RAC proposals were eventually incorporated in the Central Area Plan and Toronto's first large office development, the 56 storey Toronto-Dominion tower, was under construction by 1966.

Growth coalitions like the RAC emerged in response to the devaluation of the CBD that Fordist spatial restructuring had imposed. The mass production techniques which were developed in the automobile manufacturing industry during a period of macro-economic stagnation and underconsumption in the 1930's typified the industrial structure of Fordist, post-war economic growth. Likewise, international competition, a new international division of labour (NIDL), and increased investment in the service sector, had already begun to lay the ground for the successor to this model in the early 1970's. In fact, the socio-spatial dynamic of Fordism had encouraged it. By their efforts to preserve the value of real estate in the central city, RAC members also laid the foundations for a decisive break with the Fordist regime of accumulation. Thus it was that, in 1973, as severe recession coupled with "stagflation" rocked capitalist economies, the new bank towers of the TD Centre and Bank of Montreal took their place as physical symbols of the increasingly important global

<sup>2</sup> See A. Burton, "The Redevelopment of Downtown Toronto", City of Toronto Archives, cited in Lemon (1985).

linkages of financial capital and the new directions in Toronto's political economy. The implications for urban development of the spatial strategies adopted in the twilight of the Fordist era became even more evident in the 1980's as the strategies were consolidated in the post-Fordist regime.

### The "Service City"

Seen in historical perspective, the growth in financial and business services that was part of the institutional setting of the Fordist mode of regulation, laid the ground for the transition to post-Fordism. An intensive regime of accumulation based in mass production required an increasingly larger scale of capital financing and more specialized business services which, in turn, encouraged the construction of large physical settings for the financial industry. While capital investment in such buildings was not a paradigmatic requirement of the "labour process" in the service sector, the ability of real estate investment to generate rent and, later, to serve as a form of security for secondary mortgages and bond issues propelled spatial development in the FIRE and service sector. Thus, for a variety of reasons, centralization of finance capital into progressively larger corporate holdings and the expansion of the service economy accompanied the productivity growth in capitalist production and the spreading urbanization of capitalist geography.

The centralization of finance under Fordism is amply documented in Aglietta's study of the post-war American economy (1979). There is evidence of a progressive centralization of the financial instruments of fixed capital formation in Canada. Between 1926 and 1970 the Canadian state increased its share of the holdings of outstanding mortgage loans from 10 to 25%. As well, larger, more centralized financial institutions increased their holdings from 40 to 50% while more dispersed "personal sector" mortgages declined in importance from 45 to 25% of all outstanding mortgage loans (Morrison, 1979). These findings fit well with Aglietta's

general hypothesis regarding the centralization of financial institutions under Fordism. As Carroll points out, in Canada the greatest share of financial centralization took place in the post-war or Fordist period (1990). The visible consequence of this form of finance-based accumulation in the 1980's was a pronounced shift of capital investment from industrial activity to real estate development.

Spatial and institutional intensification in the finance sector has corresponded with a secular growth trend in service sector employment. In Canada service sector employment grew from 45% in 1960 to 60% in 1981, and by 1990 70% of all employment was in this sector (Myles, 1991). This "sectoral restructuring" had an immense impact on the domestic "reproductive" sphere of household relations since much of the growth was premised on the entry of women into the labour market. Rose (1989), for example, has argued that changing gender relations are constitutive of the specific forms that social and spatial restructuring took during the 1980's. When the crisis of Fordist manufacturing arose in the form of declining productivity and profits, and severe economic depression hit the Canadian economy in the mid 1970's, part of the ensuing restructuring process took the form of increased investment in real estate on the part of capital, and absorption into an expanding service sector for labour. The "restructuring" of the family was one result of this.

It is the extent of the resulting industrial reorganization and economic adjustment that has led many analysts to conclude that a fundamental shift in the political economic structure of capitalism is under way. The systematic search for "flexibility" has become axiomatic to any solution for the structural crisis of manufacturing production (Schoenberger, 1988). Whether the shift to flexibility is best characterized as a permanent transformation or a "temporary fix" while firms restructure is a key empirical question (Harvey, 1989 141-197). If anything should be taken from the quest for boosts in productivity in the form of flexibility, CAD-CAM,(3) and

Just-In-Time delivery, it is that there are a variety of possible growth models for the manufacturing sector, each relying on a specific set of social and spatial relationships to sustain them, none of which is hegemonic. More importantly these patterns coexist within a paradigm of increasing service sector growth and a multinational corporate strategy of increased financial concentration. In Toronto, and other "global cities", this is accompanied by growing real estate investment in the high-density built space of the commercial services sector, both in the downtown core and, increasingly, in the nodal subcentres within Metropolitan Toronto and the surrounding Greater Toronto Area (GTA). In addition, continuous public and private investment in entertainment and cultural infrastructure has helped elevate Toronto to the rank of a "world class city".

### The "Socio-Spatial Dialectic" of Post-Fordism in Toronto

In the decades between 1970 and 1990 the urban space of accumulation in the Toronto area was decisively restructured. The pivotal role of Toronto in the Canadian economy was firmly established, and by the end of the 1980's the central area of the City of Toronto had been transformed into an economic space servicing the requirements of global financial capital. On Nigel Thrift's classification, Toronto--along with 17 other cities--was a "first order international financial centre" by 1983 (1987: 209). Of the 56 foreign banks in Canada, 42 have head offices in Toronto, as do half of Canada's top 50 foreign-owned companies. The executive functions of Canada's top five banks and the headquarters of six of the ten largest life insurers in the country were headquartered in Toronto. Toronto was also the site of the head office, management, and corporate control

<sup>3</sup> Computer Assisted Design (CAD) and Computer Assisted Manufacturing (CAM).

functions for 40% of the top 500 Canadian corporations, a remarkable level of concentration (Board of Trade of Metropolitan Toronto, 1991: 119). In a trade-driven economy many of these companies have extensive international connections. The consequent insertion of Toronto into the international financial services economy provided an important mechanism of growth. The related growth in service sector employment provided a demand "pull" to the "push" of investment into the spatial development sector that the political economic crisis of Fordism had encouraged.

A brief outline of the empirical dimensions of real estate development patterns in the Toronto region (GTA) in the 1980's indicates the extent of the socio-spatial restructuring of the local economy. The period might be characterized as one in which the transition from a Fordist to post-Fordist space of accumulation was being geographically consolidated. The landscape and skyline of Toronto were marked by a shift of capital investment from primary production into the secondary circuit of real estate and spatial development where it was increasingly concentrated in the commercial and residential sectors. While commercial construction in the GTA doubled through the 1980's, industrial plant construction underwent a slight decline in the same period. In terms of country-wide construction trends, the concentration of commercial building capital in the GTA is an indication of Toronto's ascendancy at the national level and its connection to the "international property market." Over \$3 billion worth of commercial construction took place in the GTA in 1989, a figure which represents over 40% of the total amount of commercial construction for the entire country. Within the CMA of Toronto the greatest concentration of this activity is within the City of Toronto where 53% of the total commercial construction for the area took place (Board of Trade of Metropolitan Toronto, 1991: 211-229).

The effects of restructuring have been most visible in those parts of the GTA where industrial and manufacturing activity have traditionally been the highest. In East York for

example, where a high concentration of more Fordist activities has kept the employment share for warehousing and manufacturing among the highest in the Metro area (33% in 1988 down from 42% in 1981), industrial construction fell from a high of a 57% share of total construction in the area in 1981 to a low of 0.6% in 1988. At the same time, commercial buildings rose from 6.9% share of total construction in 1981 to a high of 43% in 1988. Total manufacturing sector employment fell almost 20% just in the five years between 1983 and 1987; at the same time office employment grew 43% to comprise a 30% employment share in the area (Municipality of Metropolitan Toronto, 1989: table E-2.2).

Once a site for the suburbanization of industry from central Toronto, East York now encapsulates the impact of the current round of industrial restructuring and sectoral adjustment in the contemporary economy. The extensive land holdings of Bramalea, Ltd. in the area have meant the developer has played an important role in reshaping the local landscape. One project slated for Eglinton Avenue in the Leaside-Thorncliffe Industrial Area, proposes an intensive concentration of residential and commercial/service sector space. According to an application filed with East York City Council in May of 1990, Bramalea plans to construct a business "campus" of four office blocks of up to 15 stories, and 4 residential towers between 30 and 40 stories in height, on land formerly zoned for light and heavy industrial use.

These figures clearly indicate the strategy of spatial restructuring, intensification and re-commodification of urban space pursued by capital during this period. Beyond these mutations though, there has been a major sectoral recomposition of the labour force. Sectoral shifts of employment and economic growth coincided with the critical restructuring of Fordist industry and a pronounced shift of investment into real estate, which had the effect of intensifying the social and spatial importance of the service sector. Service sector growth in the local economy and the resulting office space demand was the legacy of a period of high manufacturing

productivity and intensive Fordist accumulation. The concentration of Canadian economic activity in the Toronto economy allowed the city to attain the threshold of a "world class" international service centre for capital - a global city.

During the capital-rich, speculative-led growth of 1980's, Toronto's commercial real estate market, focussed primarily in the city centre, was among the "hottest" on the continent. But in addition to the renewed agglomeration pull of the central core during this period, the continuing shift in manufacturing location to "edge cities", and the development of "nodes" of high-density service and office space within the built-up urban area, suggest a pattern of segmentation in the spatial development process that is linked to the conditions of post-Fordist accumulation. These cycles of capitalist development have contributed to the fragmented pattern of the urban landscape in the Toronto area (Norcliffe, Goldrick & Muszunsky, 1986). As I have noted, the "re-urbanization" and intensification of the CBD was linked to the constellation of political economic forces underlying the process of capital restructuring in the heyday of Fordism during the 1960's. The political and economic interests advocating the redevelopment of downtown Toronto during the 1960's succeeded in creating such an intensive physical accumulation of property values in the downtown area that by the 1980's suburban growth coalitions had sprung up in order to attract spatial development outside Toronto's CBD and into the surrounding cities of the Metro area. Given the high cost of office space in the central core, suburban nodes of office space were able to compete in the market for service sector location. The construction of a highly intensive built space as part of the "solution" to declining real estate values in the Fordist period laid the groundwork for a subsequent post-Fordist phase of spatial development.

In the manufacturing sector the tandem effects of separation and intensification have played themselves out both internally and between firms. The demand for transportation infrastructure to facilitate the JIT deliveries and external

economies of scale required by flexible manufacturing processes has pitted commercial and industrial developers against one another in heightened competition over sites that are accessible from main transportation corridors (Municipality of Metropolitan Toronto, 1986: 70). But the same anarchic spatial development process which leads to a decline in space for industrial land use and rising land prices also encourages the use of technology which allows for more compact production lines and an "internal" intensification of manufacturing. Flexible and programmable CAD-CAM equipment, which allows a wider variety of products to be manufactured using the same equipment, contributes to intensified production since a single firm can fill contracts on a wider variety of orders. Process developments such as these have lessened inter-firm competition for land and contributed to the overall decline in industrial manufacturing space even though they account for much of the remaining new plant construction.

Along with this, there is parallel tendency among larger manufacturers to contract out batch production to smaller, more flexible firms, introducing a disaggregative effect on the organization of production - which impacts both on the strength of organized labour and social capital expenditure on transportation infrastructure. Part of the impetus behind the recent growth of "new industrial districts" lies in the contracting out strategies of previously vertically integrated firms. Geographical "clusters" of firms now exist in sectors where larger-scale manufacturing once dominated. Just at the institutional level, smaller interconnected networks of firms make traditional labour organization more difficult. Additionally, in their effort to make more "flexible" use of labour, the smaller firms are generally resistant to perceived rigidities of contractual arrangements with labour (Drache & Glasbeek, 1990). Even with the recent reforms by an ostensibly social democratic provincial government, labour codes in Ontario have done little to advance the interests of organized labour in the struggle over the perceived benefits of



increased flexibility.

## The Presence of the State

The themes of intensification and segmentation of urban space are mirrored in state planning policy. Metropolitan Toronto's Official Plan Review calls for a regional planning framework for housing policy in cooperation with the Province and an intensified, "more efficient use of land and existing housing stock" (Municipality of Metropolitan Toronto, 1989). The Review and the City of Toronto's own Cityplan '91 official plan both envision an urban space consisting of high density "Metropolitan centres" or "nodes" connected by public transit (Municipality of Metropolitan Toronto, 1988). In an economic environment where local economic development most often depends on commercial and service sector growth, the prestige, property tax revenues, and opportunities for further growth provided by this service sector-oriented, nodal form of spatial development, are keenly sought after by local city governments. The high density office centres that have developed in the surrounding cities and "Metropolitan centres" of the Toronto region have been case studies in intergovernmental competition for development. The Yonge and Eglinton "node" in the City of North York is a prime example of a successful bid to attract development outside Toronto's central area.

Others examples of this sort of development include Scarborough Town Centre, North York City Centre and "Uptown Downtown", Mississauga City Centre, and clusters of development along the Don Valley Parkway. Edward Soja's reference to the "archipelago" of nodal sub-cities which comprise Los Angeles as a "fractured labyrinth" is perhaps too poetic a description for the patterns of growth in Toronto's built urban environment that Metro planners prefer to call "deconcentrated centres," but as a metaphor for state fragmentation it is more than apt.

With over 30 municipal and city governments in the

GTA, a coherent plan for the region must contend with the competition amongst local states for spatial development. The wave of "nodal growth" in spatial development geared to the service sector that occurred in the 1980's was largely a "fractured" continuation of the growth coalition strategy of the 1970's. In order to attract development, planners must function in the capacity of mediators between capital and a fragmented local state. The City of York's entry into the "city centre" market for example, was partly the result of an "enterprising" council decision to link the centre to the plan for "deconcentrated urban centres" and a proposed transit "gateway". In subsequent negotiations, a compliant local state, whose growth strategy depended on increased commercial development, worked closely with the developer to produce a site plan that would meet with the approval of higher-level governments. The developer, DRENA, the North American real estate development subsidiary of Dumez SA, was able to negotiate a land swap with the City of York in which it acquired a prestigious site at the corner of two major thoroughfares in exchange for accommodating future transit development into the design.

The York City Centre project will substantially alter the share of service sector employment in the declining, primarily manufacturing-based local economy, something seen as necessary for growth (City of York, 1988). Sectoral restructuring and the internationalization of Toronto's downtown core encouraged a functional separation of lower-level service sector and routine "back office" activity into suburban nodes of developed space in the surrounding metropolitan region. In a context where, in 1988, the total of all construction in the City of York comprised only a 3% share of the construction in Metropolitan Toronto, the nodal development strategy represented an important growth opportunity in a city where manufacturing was in decline. Intra-metropolitan competition, in part the legacy of earlier uneven development, ensured that the project found the most receptive location. In this case, the City of York functioned

as an effective "collective capitalist" in the nodal development plan. The strategic use of a public transit plan ensured the cooperation of higher-level governments and the political legitimacy of the project. But there is no assurance that the transit facilities will ever be constructed, and if they are, the resulting public expense will only serve to enhance the value of the private development.

Restructuring has thus created conditions where the local "spatial mix" of employment opportunities, and the character of the social space for consumption, are ever more subject to the prerogatives of large vertically-integrated development firms. Firms such as Marathon Realty, Bramalea Ltd. and Olympia & York Ltd. are all connected into conglomerate operations (Carroll, 1990). DRENA is no exception. Its French parent, Dumez SA, is the fifth-largest multinational conglomerate in the world, with interests in nuclear power, electronics technology, the "Chunnel" project, and consumer durables manufacturing. Seeking a North American headquarters for expanded operations DRENA's strategy was to seek out a situation in which local business and political interests were partial to large-scale development. The social and environmental costs of spatial restructuring, in the form of increased commuting, public infrastructure costs, congestion, and pollution, are often left uncalculated by city councils concerned with the benefits of increased property tax revenues and visible economic "growth."

In the short run though, it is unlikely that planning initiatives can induce a purposeful shift of building capital away from the lucrative space economy of the downtown CBD, especially when there are still large tracts of land to develop in the central area of Toronto. The political feasibility of expanding the present suburbanized nodes of high-density office space is questionable; it would involve extensive land use changes to the present landscape of residential communities and surviving locales of industrial production. It is the possibility of community resistance to intensive development that explains its "nodality." Because of this,

development that explains its "nodality." Because of this, rather than a progressive expansion of the CBD, the post-Fordist wave of spatial development has taken a segmented or nodal form. The restructured space of accumulation, flowing out of changes in the economy and the growth in commercial real estate investment, must take shape within an existing urban framework where the line of least political conflict is usually the most profitable. At the level of the GTA this leads to increased inter-municipal competition for private development capital and to conditions in which the local state is increasingly concerned with facilitating development. Downtown on the other hand, in the City of Toronto proper, the Railway Lands and Harbourfront create a unique situation for continuing CBD development.

### **FIRE or Fanfare: Competing Visions of Toronto's "Southside"**

Just south of Toronto's CBD and at points contiguous with it, Harbourfront and the Railway Lands comprise together almost 300 acres located in the prime Central Area of Toronto. Thus spatial development on both sites has incorporated the requirements of the dominant logic of capital circulation in opposition to alternative development initiatives. The 1969 Official Plan, which had advocated the intensive spatial restructuring of the CBD:

was designed to ensure the primacy of the downtown core within the metropolitan region by encouraging redevelopment of the waterfront for residential, commercial and recreational purposes (Desfor, Goldrick, & Merrrens, 1989: 491).

But in 1972 the federal government presented the City of Toronto with nearly 100 acres on the central waterfront, intended as a balanced mix of development and open park space. The fragmentation and potential intrastate conflict represented by these two visions of development was largely

avoided however, since the intensification of the downtown core that took place in the twilight of the Fordist regime bypassed the waterfront area. By 1978 though, Harbourfront Corporation, a state development agency, had been created, and the spatial restructuring of the declining industrial district began in earnest.

Under an emerging post-Fordist regime of flexible accumulation, intensive waterfront development à la Manhattan had given way to intensive luxury condominium and marina development à la Miami, with a commercial component modeled on other successful developments emphasizing spectacle, "cultural programming", and consumption. As Harvey notes, flexible accumulation as an economic strategy implies this sort of strategy, and the spread of this sort of development is understandable, given the grim history of deindustrialization and restructuring that left most major cities in the advanced capitalist world with few options except to compete with each other, mainly as financial, consumption, and entertainment centres. Imaging [*sic*] a city through the organization of spectacular urban spaces became a means to attract capital and people (of the right sort) in a period (since 1973) of intensified inter-urban competition and urban entrepreneurialism (Harvey, 1989: 92).

The railway companies also made successful use of the new emphasis on the economic impacts of entertainment and spectacle in pushing their own development plan. By sponsoring the construction of the publicly funded stadium project on the west end of the land package, the Skydome, with free land and site improvements, they were able to bargain for their plan approval during the drawn out construction process by threatening to withdraw their support (Desfor, Goldrick & Merrens, 1989: 497-498). As a result of this "linkage strategy" they achieved their long term goal of integrating the east end of the Railway Lands into the high-density commercial development in the CBD. The most recent plan allows for extraction of maximal rents by developing the space equivalent of six Empire State Buildings

on the former Railway Lands and will certainly offset the earlier structural devaluation of "overaccumulated" capital on the site (Toronto Globe and Mail, July 3, 1990: A10).

The intransigence of the developers regarding the "Greenlands Report," which was circulated by environmental activists during the review process of the Railway Lands Development Project and which advocated a less intensive and more environmentally sensitive form of development, is certainly by no means surprising. But the incident reveals the political importance of struggles over social and economic space. Faced with attempts to single out the Railway Lands as the site for the innovative spatial development of an environmentally "sustainable" community, developers have sought to link development of the site to the continued vitality of the CBD. In a hostile response to the report, the law firm acting for CN Real Estate absurdly asserts that "[t]o the extent that the concepts in the Greenlands Report are capable of implementation, then we trust that any policies the City develops will be applied throughout the municipality or at least throughout the Central Area," effectively ignoring activists concerns that a zero-discharge waste stream and complete energy self-sufficiency--both at present technologically feasible--be made part of the official development plan for the area (City of Toronto Planning Department, 1991: 136). Stressing the need for adherence to the present "agreements"--which CN wrested from City Council under duress, and the requirement for consistent zoning in the Central Area, the developers and their lawyers hope to forestall any attempt to develop the site according to land use principles that run counter to the logic of capital circulation and the present regime of accumulation. While any spatial development on the site has the potential for profitable return, as I indicate below, only intensive, commercial high-rise space can function effectively as a rent generating financial instrument. Toronto developers were not only interested in profit, but in establishing a place in the global property market.

The spatial development of both the waterfront and the CN and CP Railway Lands has to be placed in the context of a period of global economic restructuring in which the two quasi-public agencies were faced with irreversible structural economic decline. Both the Toronto Harbour Commission and the national railways were faced with the "obsolescence of the port, railways and industry on the waterfront" and turned to spatial development as revenue generating strategy (Desfor, Goldrick, & Merrens, 1989: 498). With an overaccumulation and devaluation of physical capital stock due to technological and economic change, the switching of capital flows into the "secondary circuit" of the built environment was a crucial corporate strategy for CN and CP; the position of both companies in corporate networks which include large real estate development companies and financial firms facilitated the switch. In the 1980's a continuous spatial restructuring strategy was firmly established in the planning practice of the state and the southward expansion of the CBD into the Railway Lands was expedited by a judicious political strategy on the part of the landowners rather than the more traditional boosterism of the RAC.

As for the waterfront, despite the lack of an official plan, development of Harbourfront has rapidly transformed the area and improved its "competitive position with respect to the spatial division of consumption." In a context where the non-monetary goals of cultural programming and provision of public space were to be achieved through the sale of development rights, the permeability of state institutions to development interests and the resulting "Miami-ization" of the project was inevitable (see Toronto Star, June 21, 1986: B5).

## Mapping Futures

Regulation theory provides a fruitful method for connecting stages of growth in the larger economy with the cycles in the development of built space in the capitalist city. Harvey extends his analysis of the post-Fordist economy to

connect it with the emergence of postmodern culture. "The relatively stable aesthetic of Fordist modernism has given way to all the ferment, instability, and fleeting qualities of a post-modernist aesthetic that celebrates difference, ephemerality, spectacle, fashion and the commodification of cultural forms" (ibid.).

This paper has attempted to provide a "rich description" of the particular and local time/space of the latest crisis of capitalist accumulation and its impact on urban space in Toronto. A key question remains how explanations of spatial development can potentially be connected to political action or to a theory of the state. The local state plays an important role in the configuration of social and political institutions - the mode of regulation--by which the formation of capital is intermittently stabilized. For the planners sitting on the Cityplan '91 task force developing a new official plan for the City of Toronto, the intensification of the urban landscape requires:

a recognition that physical land use and development is inextricably linked with the social and economic forces that shape our everyday lives (Cityplan '91 Task Force).

In the new ideology then, spatial planning must consider not only the traditional objectives of coordinating development for balanced growth, but should devote greater attention to matching the market activities of developers with the "needs of the population", especially with regard to the provision of housing (Municipality of Metropolitan Toronto, 1989).

What this implies is a new configuration of policies and institutions for the macro-economic coordination of spatial development. The now common practice of exchanging density bonuses for social or "affordable" housing commitments on the part of developers, is an example of the segmented provision of built space at the macro-economic level of demand and supply coordination.

This sort of ad hoc linkage under "Fair Share" policies, or contractual arrangements with developers, characterizes the emerging regime of accumulation as one based on adjusting supply to specific market segments. The further institutionalization of this sort of practice as a mode of regulation would constitute a distinct departure from Fordist state-subsidized construction. Such developments may prefigure a more general set of macro-economic links between production and consumption, or a whole new regime of accumulation. If so, then the post-Fordist regime of accumulation is best conceptualized as serving to adjust consumption levels to income share rather than, as under Fordism, upwardly adjusting the income share of labour to stimulate demand for mass produced goods.

The service sector cannot be discounted in the emergence of this new and privatized "macro-economic" process. The massive expansion of consumer credit and the use of increasingly sophisticated marketing research firms to track the segmentation of the market, are but two examples of the "deepening" of the services involved in the circulation of commodities. Even though it does not directly subsidize demand, the service sector of the economy plays at least as important a role in coordinating consumption and production as the state did under Fordism. As Harvey puts it:

[f]lexible accumulation has been accompanied on the consumption side ... by a much greater attention to the quick-changing fashions and the mobilization of all the artifices of need inducement and cultural transformation that this implies (1989: 156).

This opens up the possibility of a segmented regime of accumulation in which capacity for consumption is matched to specialized markets - either for luxury products in the exclusive consumption districts of the gentrified downtown core, or for basic foodstuffs in the mushrooming network of charities and food banks.

The creation of zones of upscale consumption and

spectacle in close proximity to the increasingly internationalized CBD has made clear the spatial dimension of class practices. Social polarization has been mapped onto the post-Fordist city scape in an insidious manner. The creation of class-biased(4) spaces of consumption and spectacle has been clothed in the discourse of economic development and the emergence of a new economy. But the post-Fordist, post-industrial, global city that the economic elite in Toronto have strived to build, and in some sense have achieved, has not been for everyone. In Toronto, in 1993, the response to the question "whose city is it?" posed by progressive urban planners does not stand as an affirmation of democratic values. The task of progressive urban politics must begin by "mapping" a more inclusive, and more democratic urban space that takes into account more than just the "world class" dimensions of economic growth. When the discourse of "world class" is invoked one knows which economic class is "interpolated": the term is not applied to public infrastructure or social housing.

The record welfare and unemployment levels posted during this most ironic and postmodern of "jobless" economic recoveries, and the mute testimony of an overbuilt office market, including the stoppage in construction of one of the 1980's most monumental office towers - the Bay-Adelaide Centre - stand as reminders that a large number of Torontonians lost the last "bet" on the future shape of economic growth in the city. The momentum of economic restructuring points toward a "space of accumulation" that promises expansion in the low and high wage sectors of the service economy and stagnating "de-industrialization" in manufacturing. Political and social polarization and the invention of a new form of dual labour market have been the outcome. Toronto's "world class" status has been bought at the price of intensified social divisions within the city.

<sup>4</sup> As the examples of the Skydome, "Miss Saigon", and "Show Boat" indicate, these spaces are gender and racially biased as well.

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