# Global City Formation in Toronto: The Case of TOCore

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# Abstract

This research discusses the relationship between Global City formation and the City of Toronto's recent urban transformations in the era of contemporary globalization. Taking cues from foundational texts authored by John Friedmann and Saskia Sassen, I look to investigate the hypothesis that Global City formation leads to shifts in occupational structure, along with an increase in intraurban social disparity and polarisation. Further, I examine how Toronto's recently approved Downtown Secondary Plan, TOCore, may (re)produce Global City formation through its land-use policies. While Regulation Theory is employed to analyze how planners and the planning process may play an active role in regulating/normalizing Global City formation. This paper concludes by calling on planners to include a Global City perspective in their practice while focusing their attention on the contradictions that will inevitably arise.

# Foreword

Before starting the MES program, I attended a public lecture discussing the question of Toronto as a Global City. Picture the scene: an impressionable student brand new to planning field and a smooth-talking, experienced planning professional at the front. As the presentation progressed, stylized charts and graphs appeared, positioning Toronto within the same category as cities like New York, London and Paris…I was enthralled. I was convinced that Toronto could be great. Toronto could be a Global City if we followed this man's advice and just had some ambition! I chose my area of concentration partially because of this lecture. What I initially thought would be a relatively straightforward undertaking, wound up becoming a complex intellectual journey which I am forever glad that I took.

As I sit here writing this preface, Toronto, along with the rest of the world, is in the midst of fighting the Covid-19 pandemic. I have been thinking a lot about what this unique event in human history means for the future of Toronto. The optimist in me hopes this will spark meaningful and substantive change, not a return to "normal" or "business as usual". This analysis of Global City formation in Toronto should indicate to readers that the "normal" ways of city-building over the last 50 years, is fraught with significant contradictions and consequences. Hopefully, this prompts readers to ask critical questions about what becoming a Global City really means and sparks a meaningful conversation about our collective urban future.

Concerning my Plan of Study, this Major Paper addresses my Area of Concentration, "Planning the Global City" which seeks to explore the role of planning practice in global city building. I focus on developing an informed understanding of land-use planning, transportation planning, and the built environment in a global-city context. This Major Paper specifically focuses on gaining a thorough understanding of the geoeconomic trends in global cities in order to identify the role land use planning can play in this context (Learning objective 1C) as well as developing an understanding of how the dynamics of globalization and specifically Global City formation shape decisions pertaining to the built environment (Learning objective 3A).

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# Table of Contents

# List of Tables



# List of Figures

# Chapter One: Introduction

## Goals and Organization of This Paper

In this research paper, I argue that the processes of globalization, such as Global City formation, influence the character of urbanization in the City of Toronto. However, locally embedded actions and actors play an essential role in fixing this process *in place* by (re)producing Global City formation in local planning policies and regulating Global City formation through the planning process.

Following this organizational and methodology chapter, the second chapter provides a review of the World/Global City literature, its critical origins, along with various internal and external critiques of the literature. The third chapter links global processes to locally embedded actions. I investigate the flawed notion that Global City formation is the product of abstract, top-down forces of globalization, arguing that local actors and actions also play a significant role in this process. I then introduce Kipfer and Keil's (2002) Competitive City framework as a new modality for regulating and managing Global City formation on the local scale. While also providing a historical overview of Toronto's transition from the Postwar planning era to the current Competitive City planning era. Chapter four utilizes the main arguments from John Friedmann and Saskia Sassen to verify whether World/Global City theory can accurately explain Toronto's recent urban transformations. Empirical evidence will be presented on the 1. *Growth and Location of Advanced Producer Service Firms* and 2. *Income, Occupation, and Spatial Polarization* in Toronto. Chapter five transitions to a discussion related to the City of Toronto's planning policy. Specifically, TOCore, the city's most recent secondary plan for the downtown core is introduced. Furthermore, a discourse analysis is performed on TOCore and related planning documents. Chapter six analyzes the specific policies in TOCore and looks to understand how Global City formation is continuously reproduced through the city's land-use policies. Chapter seven analyzes TOCore's role in regulating local society and focuses on how local actors regulate Global City formation through the planning process. Finally, Chapter eight

provides a brief overview of the main arguments put forward in this research. I conclude by discussing the role of the planning profession and the individual planner in the era of Global Cities.

Stylistically, this research paper treads back and forth between the abstract and the concrete (via data and case studies examples) and it also moves between scales. I begin with the global scale, the organization of the new international division of labour and the global economy, I work my way down to the metropolitan scale and focus on the entire City of Toronto. I then turn to the district or neighbourhood scale, which centres on the space of Downtown and the TOCore Downtown Secondary Plan. Finally, this analysis goes down to the scale of the individual, exploring the actions of local actors who facilitate the planning process and write the policies.

# Methodology

Throughout this research, I employed a variety of methods, including data gathering & analysis, policy analysis, discourse analysis, and semi-structured interviews.

### *Data Gathering & Analysis*

Empirical evidence was gathered to determine whether the theory of Global City formation could accurately explain Toronto's recent urban transformations since the 1970s. This data was categorized into two sections: *Growth and Location of Advanced Producer Service Firms* and *Income, Occupation, and Spatial Polarization.* For the first section, I collaborated with the City of Toronto's Research and Information group to use data collected from their annual Employment Survey Data from 2011 and 2019. For the second section, I draw from David Hulchanski's analysis of income and occupation distribution across Toronto, as well as occupational data from Statistics Canada.

### *Policy Analysis*

A policy analysis was also conducted on TOCore, Toronto's latest Secondary Plan for the Downtown with a specific focus on TOCore's *land use and economy* section. Furthermore, Toronto's Official Plan and relevant provincial planning legislation were reviewed in order to understand the overarching planning framework that the creators of the Downtown Secondary Plan were obligated to follow.

### *Discourse Analysis*

I have chosen to undertake a Discourse Analysis on TOCore, the City of Toronto's most recent secondary plan for the downtown, as well as related planning documents. In recent years, discourse analysis has been used by academics as a methodology to understand urban policy (Jacobs, 2006). According to Jacobs (2006), there are two reasons why discourse analysis works well in the field of urban policy:

First, traditional policy research often focuses exclusively on the formal decision-making process, yet it is less successful in providing an analysis of the power and ideological influences that impact policy formulation and implementation. Secondly, there is increased recognition of the critical role language plays in policy. The study of language can provide a more nuanced understanding of the policy process and provide significant insights that are not always evident in other research methodologies. Specifically, "discourse analysis is useful in learning about how language is deployed to pursue political and organizational objectives as well as how policy documents are interpreted by their audience" (Jacobs, 2006, p. 40).

A critical discourse analysis (CDA) approach is used to uncover the processes by which ideologies are "created, re-created, and perpetuated in social life—processes which are often 'naturalized' and taken for granted as common-sense notions" (Strauss & Feiz, 2013, p. 312-313) Furthermore, Loretta Lees (2004) identifies two main strands of CDA often used within the field of urban policy research: Foucauldian-inspired discourse analyses and political-economy informed discourse analysis. Foucauldian-inspired discourse analysis draws upon the work of Michel Foucault. In short, this approach emphasizes the relationship between language and power, whereby power

relations shape language. On the other hand, political economy informed discourse analysis takes its cues from the Marxist tradition of political economy and ideology critique. In this case, discourse analysis is used as a tool for “uncovering certain hegemonic ways of thinking and talking about how things should be done that serve certain vested interests” (Lees, 2004, p. 102). This approach takes a rather Gramscian understanding of language as a medium of hegemony (Lees, 2004).

I will be using a political economy informed discourse analysis for this paper. For Lees (2004), this strand includes the methods associated with Norman Fairclough approach. The advantage of using Fairclough's approach (1992, 1995) is that it provides a specific analytical structure for performing a discourse analysis. Fairclough uses a three-dimensional framework to exhibit the connections between policy texts and broader political change (Jacobs, 2006):

- *text analysis*—this entails the study of the structure of text, vocabulary, and grammar cohesion;
- *discursive practice*—this involves the analysis of the processes in which texts are framed, that is, the context in which statements are made and feed into other debates; and
- *social practice*—this requires a study of discourse in relation to wider power structures and ideology.

(Adopted from Jacobs, 2006 p. 42)

Fairclough’s framework will be used to structure my discourse analysis.

### *Semi-Structured Interviews*

In order to delve deeper and learn more about TOCore and the role local actors played in the TOCore planning process, I conducted six (6) semi-structured interviews with local actors. All interviewees were selected based on my definition of a local actor**:** *People who are directly responsible for the creation of the TOCore Downtown Secondary Plan. And more generally, people with direct knowledge and influence with*

*regards to strategic planning strategies in the City of Toronto.* The interview questions were informed by a substantive literature review on Global/World City studies and Regulation Theory. Prospective questions were also vetted by my supervisor before interviews took place (see *Appendix II* for a list of questions).

# Chapter Two: The Global City

## Introducing a Concept

The idea of a World City is not entirely new. The term was used as long ago as 1915 in *Cities in Evolution,* a classical text by urbanist Patrick Geddes. Despite the title of his third chapter, *World-Cities and their opening competition*, Geddes does not define nor elaborate further on what he means by a World City. However, he does suggest that World Cities are places in which "European civilization, if not the world's, should centre and culminate" (Geddes, 1915, p. 278).

Fifty years later, in his book *The World Cities*, author Peter Hall provided a much more specific definition of a World City. He mentions that World Cities are major centres of political power, both national and international, and of the organizations related to government; national centres of trade, the site of significant international airports, the site of leading banking and finance institutional along with series of specialized financial and insurance agencies; places where professional talents of all kinds congregated, populations containing a significant portion of the wealthiest members of the community; centres of advanced professional activity of all kind, in medicine, in law, in the higher learning, and the application of scientific knowledge to technology; places where information is gathered and disseminated (Hall, 1966, p. 7-9).

Although Hall's definition may still be applicable today, it carries with it many outdated theoretical assumptions and lacks reference to major political-economic transformations. For example, in the late 1960s – early 1970s, western economies experienced slow economic growth, growing unemployment, and rising inflation. In order to reverse this trend, a politico-economic transformation took place via the consolidation of a new international division of labour (NIDL) dominated by transnational corporations. Whereas the classical international division of labour was based on raw material production in the periphery and manufacturing in core and semi-peripheral regions such as Western Europe, the United States and Japan, the NIDL entails the

relocation of production to peripheral regions and deindustrialization in core regions (Brenner & Keil, 2006; Frobel et al., 1980). Three conditions are responsible for this development: First, a reservoir of cheap and productive labour has come into existence in developing countries. Secondly, the production process has become so advanced that operations can be carried out with minimal levels of skills and can be learnt quickly and easily. Lastly, the development of transportation and communication technologies have allowed the production of goods to take place anywhere around the world (Frobel et al., 1980, p. 13).

In terms of the theoretical underpinnings of Geddes and Hall's work, Brenner and Keil (2014) argue that both thinkers interpreted World Cities as an outgrowth of their host states' geopolitical power. This is consistent with a nationalized vision of the urban process whereby cities are enclosed within national territories and nationalized central place hierarchies. This assumption is exemplified by the postwar regional development theorists such as Gunnar Myrdal and Albert Hirschman, who viewed the national economy as the basis for spatial polarization between core urban growth centres and internal peripheral zones (Hirschman, 1958; Myrdal, 1957). While Brian Berry and Allen Pred believed that the national scale was the primary scale in which city systems were organized (Berry, 1961; Pred, 1977).

However, this national view of the urban process came under immense scrutiny in the 1970s. World system theorists like Immanuel Wallerstein insisted that the world system ought to be considered as the basic unit of analysis. He believed the modern world-system should not be thought of as a collection of autonomous state-structures that interacted with each other, but an integrated system of multiple states and cultures situated around a division of labour (Wallerstein, 2004). World system theory emphasizes the existence and importance of a world-wide division of labour and a world-wide system of power. This global economic and political system is organized into a hierarchy of three zones: core, semi-periphery, and periphery.

World system theory developed alongside other neo-Marxist intellectual traditions represented by scholars such as David Harvey, Henri Lefebvre, and Manuel Castells. These critical scholars began to deploy many of the new methods associated with this

emerging intellectual tradition to decipher the processes of urban restructuring unfolding around them. From this perspective, cities and the urbanization process began to be viewed as the spatial materializations of social processes associated with the capitalist mode of production (Brenner & Keil, 2014, p. 4). Capitalist urbanization was conceived as an expression of the fundamental processes of uneven geographical development (Harvey, 1982), and a necessary means for the absorption of capital and labour surpluses (Harvey, 2012, p. 42). This new emphasis on the global parameters and capitalist characteristics of the urbanization process, established by the neo-Marxist urban political economists and the world system theorists, provided the theoretical foundation for John Friedmann's foundational work on World Cities.

In their article *World City Formation*, John Friedmann and Goetz Wolff propose a new look at cities from the perspective of the world economic system-in-formation (Friedmann & Wolff, 1982). The specific mode of their integration within this system gives rise to an urban hierarchy of influence and control. At the top of this hierarchy are large urban regions referred to as World Cities. At its core, Friedmann's famous *World City Hypothesis* refers to the spatial organization of the new international division of labour (Friedmann, 1986, p. 69). World Cities are found exclusively in core and semi-peripheral regions where they serve as banking and financial centres. They constitute a global system of control over production and market expansion, act as "basing points" for global capital and as the control centres of the global economy (Friedmann & Wolff, 1982; Friedmann, 1986).

Friedmann argues that the chief economic functions of the World City revolve around a cluster of high-level business services such as *management, banking and finance, legal services, accounting, technical consulting, telecommunications and computing, international transportation, research, and higher education.* A secondary cluster emerges in these city's containing: *real estate, construction activities, hotel services, restaurants, luxury shopping, entertainment*. This second cluster of employment serves the first cluster of employment and is highly reliant on its success and growth. Finally, government services are another major sector. They are responsible for the maintenance and reproduction of the World City. However, World

City formation often reflects the major contradictions of capitalism, namely spatial and class polarization (Friedmann, 1986). The World City expands unequally, divided into the “citadel” and the “ghetto.” The citadel serves the specific needs of the professional class while the ghettos are often racial and ethnic enclaves (Friedmann & Wolff, 1982). World City growth often generates additional social costs the exceed the fiscal capacity of the states and is ripe with political conflict due to its polarized nature (Friedmann & Wolff, 1982; Friedmann, 1986).

Shortly after Friedmann reimagined the term *World* City, Saskia Sassen developed her ideas on the *Global City* (Sassen, 2001). Although the two terms are closely linked, Sassen intentionally chose to use the term *Global City* to inform readers of the subtle difference that exists: “It could be said that most of today’s major global cities are also world cities, but that there may well be some global cities today that are not world cities in the full, rich sense of that term” (Sassen, 2001, p. xix). For the purpose of this paper, the terms *World Cities* and *Global Cities* are used interchangeably.

Sassen argues that the combination of spatial dispersal and global integration has created a new strategic role for major cities which function in four new ways: as highly concentrated command points in the organization of the world economy, as critical locations for finance and specialized service firms, as sites of production of innovations, and as markets for the products and innovations produced (Sassen, 2001, p. 3). The geographical dispersal of economic activities characteristic of globalization feeds the importance of central corporate functions. As transnational corporations began expanding globally, the central functions of these firms became more complex and required a whole new mix of specialized services such as accounting, finance, legal, programming, and advertising. Instead of producing these services in-house, it becomes feasible for companies to outsource and buy a share of central function from highly specialized firms. However, these highly specialized firms are subject to agglomeration economies and need access to a mix of talent, expertise, and resources to produce higher-order information and fulfill their function. All of this is located in certain types of urban environments. Thus, Sassen posits that the Global City is “an

extreme space for the production and/or implementation of very diverse and very complex intermediate capabilities" (Sassen, 2016, p. 97). Sassen was not referring to an entire city but suggests that the "Global City is a production function inserted in complex existing cities, with a vast shadow effect over a city's larger space" (Sassen, 2016, p. 97). One of the well-known effects of the Global City is that its economic logic tends to generate both high-level jobs and low-wage jobs while needing fewer middle-range jobs than in previous generations. Both Sassen and Friedmann believe this will have an effect of raising the degree of spatial and socioeconomic inequality in these places (Friedmann, 1986; Sassen, 2001).

## Reaction to the World City/Global City Hypothesis

The theory of World/Global Cities has come with its share of critiques. They can be organized into internal and external critiques. Internal critiques are constructive in nature; they are intent on recasting the research framework, while external critiques are more dismissive of the research field as a whole.

### *Internal Critiques*

Contemporary processes of World City formation have been closely related to the growing obsolescence of the Fordist regime of accumulation, and the emergence of a potential successor: Post-Fordism. However, Jamie Peck and Adam Tickell argue that for all the discussion about Post-Fordism and its features: flexible production, flexible labour system, and new industrial spaces for sectors such as high-technology companies and advanced producer and financial services, little attention has been paid to the evolving structures of social regulation in much of the recent work on economic restructuring (Peck & Tickell, 1992). Social regulation must be continuously secured through the formation of new social norms or new political or institutional structures that help to temporarily stabilize capitalisms contradictions around a particular regime of accumulation (Goodwin et al., 1993). This critique employs Regulation Theory, which

argues that a regime of accumulation "cannot exist without complementarity between processes of economic development on the one hand and mechanisms of social regulation on the other" (Peck & Tickell, 1992, p. 349). Ultimately, World/Global City theory does not explicitly take into account how these strategic sites are effectively regulated to ensure the prevailing regime of accumulation survives and reproduces.

Another critique of the World/Global City literature is summed up by Short et al. (1996) "A recurring, if rarely discussed, problem in the world cities literature is the lack of good comparative data. Few of the many papers on the global urban system draw upon original data; common hypotheses are repeated rather than tested and must draw upon the assumptions of previous papers. The dominance of London, New York and Tokyo, for example, is more often asserted than demonstrated" (p. 698). In response to this issue, Peter Taylor and colleagues launched the *Globalization and World Cities Research Network* (GaWC) in 1997, to contribute to solving the World City data problem. Two distinct approaches came out of the GaWC research community: (i) an approach focusing on the corporate organization (e.g. data on the number of corporate headquarters) and (ii) an approach focusing on infrastructure (e.g. data on the size of a city's transportation infrastructure) (Derudder, 2008). A prime example of the "corporate approach" is used in Beaverstock et al's. (1999) article, *A Roster of World Cities*. Their results produced a roster of 55 World Cities in which three levels of importance were discerned (the now well-known alpha, beta and gamma categories of World Cities). Secondly, the "infrastructure approach" takes the form of large-scale assessments of infrastructure networks such as (i) telecommunications and (ii) physical transportation infrastructures (airline networks). For instance, Smith and Timberlake's (2001) article tracks air passenger travel in order to measure a city's standing in the world system.

Moreover, World Cities research has been premised upon the assumption that globalization entails a decline of state territoriality (referred to as control over a self-enclosed geographic space) (Brenner, 1999). Neil Brenner believes that this assumption has led World City researchers to focus on the interconnections between the global and urban scale while neglecting the role of state space in these interconnections. To the extent that the state has been discussed in this literature, he

suggests it primarily focuses on local/municipal institutions. However, Brenner argues that globalization is reconfiguring state territoriality rather than eroding it. A small aspect of globalization has “entailed a re-articulation of the national scale with sub- and supra-national scales” (Brenner, 1999, p.4). This “re-scaling” process is believed to act as a major accumulation strategy for states as they attempt to promote Global Cities as centres for global investment and talent: “Global City formation is linked not just to the globalization of capital but can also be conceptualized as central nodes for the localization of state territorial organization (Brenner, 1999, p. 3). This aspect of Global City formation has not been investigated thoroughly.

Furthermore, both Anthony King and Janet Abu-Lughod argue that the Global City literature has been remarkably ahistorical in its outlook (Abu-Lughod, 1999; King, 2015). Abu-Lughod believes the literature assumes that Global Cities are a relatively new phenomenon that has been generated in the present period due to the development of the “world system”. However, she questions whether these phenomena are as recent as is claimed; Many of the characteristics and functions of a contemporary Global City already made their appearance in cities like New York, Chicago, and Los Angeles in the late nineteenth – early twentieth century.

I addition, King (2015) demonstrates that certain cities (the major centres of imperial states such as London and Paris) have historically behaved as central nodes for the broader circuits of production, exchange, and culture long before becoming Global Cities. The historical experience of colonialism and imperialism were instrumental in structuring patterns of urbanization and urbanism and creating the present-day world economy. However, their significance has largely been ignored in the literature.

King (1990) also argues that the Global City literature fails to address the distinctive cultural forms of the economy and the cultural characteristics of all cities. He suggests that the built environment, building and urban form do not just represent or reflect social order but constitute much of social and cultural existence. He addresses how the construction of the world’s tallest buildings has become the most important symbolic product of the world economy. These buildings become a sign used by states

and cities both to challenge the existing economic order and to make their own claims to contemporary modernity. The logic behind the construction of the “world’s tallest building” assumes that joining a global contest with other states and cities whose conceptions of modernity it wishes to share, will place that state or city in the same reference group and signal to the world that it is an attractive place for investment (King, 1990).

### *External Critiques*

Despite the lines of constructive critiques, many scholars have attempted to dismiss the theories of Global Cities and chart a different theoretical path altogether. A more recent, external line of critique comes from Jennifer Robinson, who argues that Global City research is selectively highlighting certain, particularly economic, urban processes while neglecting others. This selectivity is causing many cities to be left off the world map entirely. She proposes that all cities should be viewed as ordinary - that is complex, creative, and unique (Robinson, 2002). Robinson’s ordinary cities' critique suggests that the rigid concepts and theories of (inter)urban systems, forces, and processes specific to the Global City paradigm were being imposed on cities elsewhere while certain Western cities were being set up as the norms against which other cities come to be judged (Robinson, 2006). However, Christof Parnreiter contests that this critique misinterprets the Global City paradigm as an urban studies concept (Parnreiter, 2013). The Global City paradigm does not intend to deal with the fullness of urban development but is only concerned with the geography of producer services. He posits that the reason why most cities are not direct subjects for Global City studies is due to the fact that no core activities are located there (Parnreiter, 2013). Nonetheless, Robinson’s critique of Global City research should be viewed as an extension of her broader critique of the field of urban studies. She argues that “the central elements of conceptualising the urban have relied on formulation which draw strong links between the urban and the modern” (Robinson, 2013, p. 659) and that urban studies has a strong tendency to draw on specific (western) versions of urban modernity to define universal accounts of urbanity, all while excluding many cities from contributing to broader theorisations of the urban. Robinson believes that there is a need to produce a

post-colonial-form of urban studies that is attentive to the diverse experiences of a world of cities, rather than sticking to rigid conceptualisations of World Cities (Robinson 2015).

The second major external critique comes from Ananya Roy. In her seminal paper: *The 21st-Century Metropolis: New Geographies of Theory*, Roy argues that it is time to rethink the theoretical geographies of urban and regional studies. She points out that the "dominant theorizations of global city-regions are rooted in the Euro American experience and are thus unable to analyze multiple forms of metropolitan modernity's" (Roy, 2009, p. 819). Roy is critiquing the canon of urban studies and its archives of knowledge that have historically neglected cities outside the global North (McCann et al., 2013). She seeks to articulate new geographies of urban theory by dislocating from the EuroAmerican centre of theoretical production and moving it to the global South. Roy claims that theories have to be produced *in* place (paying particular attention to where exactly it is produced) rather than imported from abroad. And that "such forms of essentialism and dislocation, are needed to dismantle the dualisms that have been maintained between global cities and mega-cities, between theory and fieldwork, and between models and applications" (Roy, 2009, p. 822).

Despite the various lines of critiques, World/Global City research represents a significant leap forward in our understanding of capitalist urbanization, especially in its latest phase of global expansion. We should, however, be wary of it is noticeable limitations as a theory which has a tendency to think of city processes mostly in economic terms.

# Chapter Three: Connecting the Global to the Local

## Relationship Between Globalization Processes and Locally Embedded Actions

The previous chapter provides an overview of the World/Global City literature. In this next chapter, I begin the explore the connection between globalization processes such as Global City formation and locally embedded actions via a review of the existing literature. The literature provides compelling evidence that globalization processes and Global City formation, is *not* the result of abstract forces that influence the local environment in a top-down manner. On the contrary, local decision making and local actors are active in the processes of Global City formation via competitive city building.

In Robert Beauregard's article *Theorizing the Global-Local Connection*, he summarizes five claims made by scholars about the global-local relationship:

> "First, the dominant global forces are economic. Second, these forces unevenly penetrate to the local scale and even bypass certain institutions, industries, people, and places. Third, global forces are sometimes embraced, sometimes resisted, and sometimes themselves exploited. Fourth, economic, political, and social forces operate at a variety of spatial scales: global, national, regional, urban, and neighbourhood, for example. Finally, and as a result, because each scale is relatively autonomous from the others, global forces are mediated as they penetrate downward" (Beauregard, 1995, p. 234).

In each instance, the *global is privileged over the local*. Beauregard argues that this conceptual foundation is present in early work on World Cities. For instance, Friedmann and Wolff (1982) note that world-city analysis implies that "many local problems can have only global solutions" (p. 330) and that there is a "need to become better acquainted with the international capitalist dynamics which create the context and the opportunities for planning" (p. 336). I align myself with the view that World Cities are not influenced solely by abstract, global forces and are not the product of top-down

processes of globalization (Kipfer & Keil, 2002). Global City formation is a “globally induced but locally contingent process” (Keil, 1998, p. 632), which can best be described as the product of *glocalization* processes (Kipfer & Keil, 2002).

The term *glocalization* is intended to describe a new dynamic emerging between global political-economic forces and local-regional responses (Brenner, 1998). Erik Swyngedouw (1992) mentions that the dominance of the nation-state as a scale level has given way to a new configuration, one where the local/regional and the global scale has gained significant prominence. Institutional and regulatory arrangements shift from the national scale upwards to the global scale and downwards to the local scale. This is similar for economic activities, which become both more localized and, at the same time, more transnational (Roudometof, 2016). Glocalization suggests that “the local/global interplay of contemporary capitalist restructuring processes should be thought of as a single, combined process with two inherently related, albeit contradictory, movements” (Swyngedouw, 1992, p. 40-41).

This idea represents a break from past conceptualizations of the global-local connection, which explicitly privileges the global over the local. Ultimately, the state, especially the subnational (local) state, has come to be viewed as a dynamic and active participant in the process of Global City formation. Since the global and local are given a more equal theoretical footing, it becomes appropriate to introduce the Competitive City framework, which is above all, a locally embedded strategy.

## The Competitive City

According to Stefan Kipfer and Roger Keil (2002), the Competitive City can be understood as a “new modality of regulating and managing the process of global-city formation” (p. 235). It acts as an appropriate framework for understanding how the City of Toronto is managing the process of Global City formation whereby Toronto is transforming from the core city of the Canadian political economy into a second-tier Global City (Kipfer & Keil, 2002; Todd, 1995).

### *Competitive City and Regulation Theory*

Kipfer and Keil's (2002) use of the term "regulating" or "regulation" can be traced back to Regulation Theory which originated in France in the 1970s. Michel Aglietta authored the founding text of Regulation Theory. His work began with his Ph.D. thesis in 1974, which was soon followed by his landmark text: *A Theory of Capitalist Regulation*, initially published in French, but translated to English in 1979.

It is important to clear up any confusion about the central term *regulation.* In English, the term *regulation* refers to the "conscious and active intervention by the state or other collective organizations" (Boyer, 1990, p. 20). In French, this sense is conveyed by the term *réglementation.* However, Aglietta and the French regulationists are actually referring to the French word "régulation", which is roughly translated into "normalization" in English (Painter, 1995). Aglietta notes that "The study of capitalist regulation cannot be the investigation of abstract economic laws. It is the study of the transformation of social relations as it creates new forms that are both economic and non-economic" (Aglietta, 1979, p.16). Regulationists argue that stable capitalist accumulation depends not only on a broad range of institutions, practices and conditions, they emphasize the role of other mechanisms like social norms and conventions, networks, procedures, in structuring and facilitating capital accumulation (Jessop, 1997c). As it relates to this research, an understanding of the spatial/ territorial dimensions of regulation theory is required. For a more detailed overview of regulation theory, refer to *Appendix I*.

In terms of the spatial turn in regulation theory, Kipfer and Keil (2002) "reject the notion that regulation theory (and specifically the mode of regulation) pertains to a somehow aspatial economic process…regulation by definition entails a spatial dimension" (p. 231). Whereas much of regulation theory attempts to derive spatial structures from forms of industrial organization (Brenner, 1999), Christian Schmid argues that the use and configuration of space and territory are at the heart of the process of regulation and the "struggles over the use and the structure of a certain territory constitute in each case a specific social relationship: the territorial relation" (Schmid, 1996, p. 247). The modalities of organizing the territorial relation can tell us how capitalist development is regulated in urban terms (Kipfer et al., 2013). By

definition, Schmid's concept extends the reach of regulation theory from the "productive" realm where it emphasizes social relations, such as the wage relation, and makes its way into to the "urban" sphere (Schmid, 1996). Kipfer and Keil (2002) specify that the "territorial relation regulates the urban in its totality" (p. 232) and involves struggles over issues such as the environment, infrastructure, architecture and city building, land use, the planning of spatial relations, and definitions of urbanity (Kipfer et al., 2013; Kipfer & Keil, 2002). But Schmid (1996) argues that the struggles over territory may give rise to a relatively stable "territorial compromise" which is considered "alliances or modalities of action shared by political forces in and around the state" (Kipfer et al., 2013, p. 127).

Ultimately, the urban/urban region has to viewed as a socially and politically contested terrain shaped by territorial relations (Brenner, 1999; Kipfer & Keil, 2002; Schmid, 1996). The Competitive City refers to a particular modality through which territorial relations, and, more broadly, Global City formation is regulated (Kipfer & Keil, 2002).

### *Competitive City and Governance*

The Competitive City is not reducible to just managing and regulating the process of Global City formation, it also represents a "broader shift in contemporary city politics" (Kipfer & Keil, 2002, p. 234). This shift in city politics is expressed through a shift in city governance. The meaning of the term is still contested (Hughes, 2010), but scholars such as Graham Todd (1998), define governance as:

> "the always contingent process of institutionalizing and coordinating policy and administrative practice - a process in which the state and important actors in civil society play predominant roles. Governance, then, most often refers to practices of administrative coordination that exist outside the directly elected offices of government, occurring either in or between institutions that are part of the wider structure of the state, or between fractions of the state and societal interests." (p. 196)

As Bob Jessop (1997b) indicates, on various territorial scales such as the urban, there is a gradual shift from *government* towards *governance*. Government and governance do share similarities in that they are both concerned with creating the

conditions for ordered rule and collective action but differ in terms of process. This entails a movement from the official state apparatus working towards securing state-sponsored economic and social projects, to an increased emphasis on partnerships between governmental, para-governmental and non-governmental organizations. However, states start to play a role in “meta-governance” initiatives whereby political authorities set the ground rules for governance and are involved in organizing partnerships, networks, and governance regimes. This is not necessarily a new phenomenon; governments have historically participated in governance. The difference now is there is an increased reliance on governance to realize state objectives, as well as the reordering of those objectives in the era of Competitive City’s (Jessop, 1997b).

The formation of the Competitive City represents a major shift in local governance and an even larger project of “cementing and reordering the social and moral landscape of the contemporary urban order” (Kipfer & Keil, 2002, p. 235). This includes “a set of policies, ideological forms, and state orientations that articulate strategies of accumulation (the entrepreneurial city), patterns of class formation (the city of difference), and forms of social control (the revanchist city). These different aspects of the Competitive City have one thing in common: “they are tied to an overarching (imputed or material) imperative of intercity competition that treats cities as homogenous units that compete with each other for investment” (Kipfer & Keil, 2002, p. 234-235) and for mobile segments of the elusive Creative Class (Florida, 2003). Ultimately, planning strategies and the use of land is one of several strategic sites where Toronto is consolidated into a Competitive City.

# History of Planning in Toronto: Towards Competitive City Planning

Kipfer and Keil (2002) find that Competitive City Planning in Toronto is a result "of the impasse of postwar metropolitan planning, the sociospatial limitations of urban reform in the 1970s and 1980s, and the neoliberal restructuring of the local state in the 1990s" (p. 238). An overview of Toronto's Planning history provides the necessary context to help understand this fundamental shift.

### *Postwar Planning Period*

Toronto's postwar period was characterized by modernist planning, suburbanization, public housing, and the welfare state. Immigration from eastern and southern European countries such as Italy and Portugal significantly altered the prevailing Anglo-Saxon protestant image of Toronto. Postwar urban planning began to shift away from the city's earlier development, which centred around private family homes as the nucleus of urban society and became the site for modernist planning interventions. Modernist planning revolved around the private automobile and urban expressway building. The built environment began to push outwards into new suburbs, and upwards with the inclusion of residential high-rises (tower-in-the-park style) and downtown office towers (Filion, 1990; Kipfer & Keil, 2000; Kipfer & Keil, 2002; White, 2015).

In 1953, Toronto experimented with a new model of metropolitan governance with the establishment of the Municipality of Metropolitan Toronto (Metro Toronto), an umbrella government comprised of six local governments: Toronto, Scarborough, North York, Etobicoke, East York, and York. Kipfer and Keil (2000) mention that Metro Toronto represented a territorial compromise between inner city and postwar suburban municipalities and helped to balance service delivery and development costs across the metropolitan area.

However, Toronto's modernist planning interventions endangered some of the historical development in the inner city with slum clearance and urban renewal. One of the most infamous examples was an inter-city expressway planned to be built along the

Spadina corridor. Opposition to the expressway was minimal until it advanced southward into fully built-up areas, including the Annex neighbourhood. The planned route would have destroyed large swaths of housing in the Annex, but fortunately, many of its residents were eager to take a stand. With the support of Jane Jacobs, an American journalist and leading critic of modernist planning and urban renewal, this small resistance comprised of well-educated, upper-middle-class homeowners and even some Toronto academics, spawned a powerful urban movement which was successful in stopping the project from ever being built. The Spadina cancellation represented the popular rejection of postwar modernist planning and stands as an important turning point for the city and the rise of a new planning and political culture (White, 2005).

### *Reform Planning Period*

Toronto's planning transformation, often referred to as the "reform" period, was not unique by any standards - comparable planning transformation took place in nearly every major city. Key events associated with this transformation in Toronto is the election of the reformist mayor, David Crombie, in 1972. Although Crombie's election win was seen as a significant turning point, Richard White (2015) views his election as a culmination of processes that had been underway for several years; "it institutionalized, rather than brought about, the transformation" (p. 264). Reform politics was shaped in many ways by the 1960s counterculture, and by "the product of a diverse group of ratepayer groups, working-class neighbourhood organizations, tenant activists and the cooperative movements" (Kipfer & Keil, 2000, p.30). However, the radical wing of the reform movement never managed to gain a dominant edge over the moderate and conservative Mayor Crombie, who acted as a voice for the middle-class property-owners.

The primary goal of the reform movement was to preserve the already existing city, directly challenged the modernist belief that "ageing, inefficient city cores could be, and should be, improved through radical physical intervention" (White, 2015, p. 303). One of the main products of this change came in the form of a Central Area Plan in 1976. Embedded within the plan were several fundamental changes. First, it reduced

the pace of downtown commercial development to half and diverted the other half to suburban locations. Offices in downtown were to be permitted in a newly defined "financial district" in lower downtown. Elsewhere in the central area, land was essentially downzoned to allow only mid-rise or low-rise buildings. While older, low-rise neighbourhoods were seen as a valuable asset, worthy of additional protection. The reformists also believed in greater government involvement, especially in the area of housing. One of the best-known initiatives of Toronto's reform years was the creation of the St. Lawrence neighbourhood, a public housing project built on reclaimed industrial land southeast of downtown (White, 2015).

### *Competitive City Planning Period*

Shortly after David Crombie departed from municipal politics in 1978, John Sewell came to power. However, Sewell was unable to implement any significant reforms and was replaced after a single two-year term by Art Eggleton, who became mayor in 1980 (White, 2015). During the 1980s, the City began to transform from a core city of the Canadian political economy into a second-tier Global City (Todd, 1995). The demographic and socio-economic character of the city also started to change with Increasing immigration from the Caribbean, South East Asia, Latin America, and China, along with polarized employment growth and speculative real estate swings.

From a governance perspective, David Harvey (1989) articulates how urban governance began to shift away from managerialism to entrepreneurialism. Urban governance became preoccupied with the exploration of new ways to foster local development and employment growth. This is in contrast to managerial practises, which focus on the provision of services, facilities, and benefits to the local population (Harvey, 1989). In Toronto, newly elected Mayor Art Eggleton was instrumental in shifting away from a reform politics to a pro-growth and entrepreneurial politics. Similarly, planning in the City of Toronto adopted an entrepreneurial stance. Lehrer and Laidley (2008) mention that "new planning regulations at both the municipal and provincial level have been created which focus on increasing Toronto's economic attractiveness on a global scale, supplemented by an array of social, cultural, ecological and other place-specific assets" (p.790). In this era of competitive city planning, redeveloping Toronto's industrial

waterfront becomes a primary initiative for those who wish to increase Toronto's global competitiveness.

### *Toronto's Waterfront*

In 1989, the Federal government (who maintains jurisdiction over Toronto's waterfront) appointed a *Royal Commission on the Future of the Toronto*. Chaired by former Mayor David Crombie, the Royal Commission proposed 80 recommendations centred around an "ecosystem approach" to planning. As the ecosystem approach to planning gained widespread support and acceptance, both the City of Toronto and Metropolitan Toronto governments incorporated and codified this approach into many institutional planning documents such as the City of Toronto "City Plan of 1991" and the Metro Toronto "Livable City Plan of 1992" (Kipfer & Keil, 2000). Specifically, these plans proposed urban intensification, "main street" development, soil remediation, new urbanist strategies that helped to "reconcile a variety of competing interests and ideologies into a single, environmentally focused mode of development" (Lehrer & Laidley, 2008, p. 791).

The 'ecosystem approach' was also advanced by the Royal Commission's successor organization, the Waterfront Regeneration Trust, in 1992. Over its 7-year mandate, the Trust hosted a variety of consultations and planning processes to facilitate agreements on mixed-use zoning and green infrastructure. The Trust also became very invested in pursuing a bid for the 2008 Summer Olympic Games. While eventually becoming a private sector initiative spearheaded by powerbrokers, development interests, financiers, and sports bureaucrats (Kipfer & Keil, 2002), TO-BID proposed to house some of the Olympic games on waterfront land and would provide a globally scaled catalyst for waterfront revitalization.

In 2001, the Toronto Waterfront Revitalization Corporation (TWRC) was created. This tripartite development body composed of representatives from all three levels of government: Federal, Provincial, and Municipal, was given the authority to oversee Waterfront redevelopment, including the four Olympics-targeted priority projects. While Toronto's Olympic bid eventually lost to Beijing, the TWRC (eventually rebranded as Waterfront Toronto in 2007) continues to be the primary driver of waterfront

redevelopment (Lehrer & Laidley, 2008). Waterfront Toronto's tripartite structure is an example of what Brenner (1998) refers to as state re-scaling. States are reorganizing their institutions and changing the spatial scales at which they operate either to the supranational scale or the subnational scale, in concurrence with the process of Global City formation. In Waterfront Toronto's case, state re-scaling is occurring within the domain of planning. States provided Waterfront Toronto with prime waterfront land and significant planning authority in an attempt to create a "world class" waterfront and promote Toronto as a globally competitive city.

As Lehrer and Laidley (2008) note, Toronto's current waterfront scheme stands in the tradition of the *mega-project*. Historically, mega-projects used to describe "large-scale capital investments focused on a single purpose" (p. 788). This often includes infrastructure projects such as freeways, airports, and large public housing developments, which all symbolized the ideal of democratizing society and societal progress typical of the modernist state-building period. The projects often included an intention to distribute a "fair share" of the benefits to the broader population, an idea associated with Keynesian state interventions prominent during the 1930s to 1970s (Lehrer & Laidley, 2008). However, Toronto's large-scale waterfront redevelopment differs from its predecessors and is an example of a new paradigm in mega-project development. These new mega-projects, which gained popularity in the 1980s, are characterized by "a mix of uses, a variety of financing techniques, and a combination of public-and private-sector initiators" (p. 789). The diversity of forms and land uses in these new mega-projects, which include housing, retail, and office space, surrounded by green space and cultural amenities, appears to cater to the interest of everybody. However, the authors argue that this diversity effectively fragments opposition through a wide range of choices and options, inhibiting its potential. New mega-projects also represent a shift away from collective benefits characteristics of modernist state-building, and a move towards a more individualized form of public benefits to a particular group of individuals (such as developers, white-collar professionals). This has the effect of perpetuating inequality by excluding communities and groups rather than resolving inequality. On an ideological level, new mega-projects are undertaken by state

actors in pursuit of “elevating the position of city-regions within a competitive global system” (Lehrer & Laidley, 2008, p. 789).

### *Official Plan*

After the collapse of the real estate market in 1989, Toronto underwent a recession in the early 1990s. This recession laid the ground for neoliberal policies of the Mike Harris led provincial Conservative party elected in 1995. By 1998, Mike Harris forced the old City of Toronto to amalgamate with five neighbouring municipalities to create a new “megacity”. The province's rationale for amalgamation was based on an aggressive program of urban competitiveness (Lehrer & Laidley, 2008; Kipfer & Keil, 2002; Kipfer & Keil, 2000). Shortly after amalgamation, Toronto’s city council endorsed the preparation of a new Official Plan. Unlike previous Official Plan processes designed to deal heavily with details such as building codes and zoning regulations, this Official Plan presents a vision for the future of the city and identifies priority areas for development (Kipfer & Keil, 2000). Ultimately, this new Official Plan frames the overall discourse of planning in terms of competitiveness and entrepreneurialism and codifies Toronto’s failed Olympic bid along with the proposal and techniques used to redevelop Toronto’s Waterfront. Both Toronto’s Official Plan and Waterfront redevelopment represent sites where a new consensus over competitive city building is being forged (Kipfer & Keil, 2000; Kipfer & Keil, 2002).

### *Conclusion*

In the early stages of the World/Global City literature, it was assumed that globalizing forces penetrate to lower spatial scales (such as the local scale) and influence processes and conditions from above. Some cities become “basing points” for global capital, while cities ignored by global forces were peripheralized (Beauregard, 1995). In this early formulation, the global was explicitly privileged over the local. Other conceptualizations attempt to completely reverse the global-local equation and make the argument that “all activity is local and that the global only comes into being through the integration of numerous locally based actors and activities” (Beauregard, 1995, p. 242). However, I am of the view that world/global cities are products of the *glocalization*

process. Scholars such as Roland Robertson and Erik Swyngedouw argue that the processes of globalization should be recast as a process of *glocalization*. The concept of glocalization expresses the way globalization dynamics are reinterpreted locally to produce different kinds of cultural, political, and economic relations. Both global and local forces are valued equally in this conceptualization.

Since the local scale is given greater theoretical appreciation, it is appropriate to introduce the Competitive City framework. The Competitive City is, above all, a locally embedded strategy which represents a new modality for cities to manage the process of Global City formation (Kipfer & Keil, 2002). One aspect of the Competitive City is competitive city planning. Competitive city planning is centred on enhancing Toronto's Global City status via strategic planning decisions and the regulation of urban development. However, this has amounted in significant public and private investments centred in the Downtown Core (Financial district, the Kings, Toronto's Waterfront, and even recent airport-to-downtown linkages such as the UP express) at the expense of the rest of the city.

# Chapter Four: Empirical Evidence for Global City Formation in Toronto

Chapter One introduced the concept of the World/Global City. World/Global City theory provides a framework for understanding how certain cities emerge as basing points for the global economy (Kipfer & Keil, 2002). The integration of these cities in the world economy is reflected in the character of their urbanizing processes (Beauregard, 1995; Friedmann & Wolff, 1982). In addition, I unpack the discussion around the global-local connection in World/Global City theory. The second chapter questions whether the characteristics of Global City urbanization processes along with the social, economic, and political changes that occur within them, are influenced by forces operating at a global or local scale? The Competitive City framework is also introduced as a locally embedded strategy that manages and regulates the process of Global City formation (Kipfer & Keil, 2002). In this chapter, I utilize the main arguments and empirical work in John Friedmann's *World City Hypothesis* and Saskia Sassen's book *The Global City: New York, London, Tokyo,* to verify, on an empirical basis, whether World/Global city theory can accurately explain Toronto's recent urban transformations. Specifically, the *Growth and Location of Advanced Producer Service Firms* and *Income, Occupation, and Spatial Polarization* in Toronto will be investigated.

## Growth and Location of Advanced Producer Service Firms

Toronto's rise to World City status has been based on its disproportionate share of Canada's business and commercial services whereby the city serves as Canada's financial and producer service centre (Todd, 1995). Producer services are thought of as intermediate inputs that help to further production activities. The key distinguishing trait is that the specific services produced are for organizations, whether it be private or

public, rather than for final consumers (Sassen, 2001). In previous eras, producer service firms were based in and operated in one city and drew their business from their local client base. However, this began to change during the most recent period of globalization. Global service needs grew, and service firms adjusted to meet the needs of their clients by also expanding globally (Taylor, 2012). Sassen argues that this represents "a major transformation in the characteristics of the producer services sector… and a major transformation in the role these industries play in the economies of industrialized nations" (Sassen, 2001, p. 90).

One of John Friedmann's arguments in his *World City Hypothesis* suggests that the "driving force of world city growth is found in a small number of rapidly expanding sectors such as high-level business services and finance" (Friedmann, 1986, p. 73). This idea is further articulated by Saskia Sassen who argues that there are a select number of key cities around the world that are considered Global Cities because they house a range of advanced producer services (APS) (Sassen, 2001). The APS sector takes advantage of the knowledge-rich, infrastructure-rich, and technology-enabled environments that these cities offer. This environment is necessary to produce customized, high-value knowledge products to encompass the needs of clients operating in international markets (Sassen, 2001; Taylor, 2012), an advantage only Global Cities can offer. I seek to examine the growth dynamics and the locational patterns of these APS industries to determine if Toronto is conforming with the process of Global City formation. With the support of the City of Toronto's Research and Information division, a total of 14 maps and a data chart were created. Prior to release, data collected from individual businesses have been aggregated by City staff to ensure confidentiality.

From a methodological standpoint, I take cues from Sassen's (2001) analysis of the employment growth rates of producer services (Table 6.18) (Sassen, 2001, p. 156). She first categorizes the appropriate producer service industry by its Standard Industrial Classification (SIC) code. For this research, I have confined my observations to a total of six producer services. I converted their SIC codes (which Sassen used to perform her analysis), to the corresponding 4-digit North American Industry Classification

System (NAICS) codes (see Table 1). Since 1983, the City of Toronto began monitoring the city's employment by conducting an annual survey of businesses, the Toronto Employment Survey (TES). From 1983 to 2010, the City solely classified businesses using a Land Use Activity Code (LUAC) standard. In 2011, the City started to classify businesses using NAICS as well. NAICS is designed to capture supply-side production processes, while the LUAC system is designed to describe the overall economic activity and to emphasize the relationships between that activity and its land use. However, NAICS is regarded as the standard for most jurisdictions and statistical agencies across North America.

It is important to understand the limitations of NAICS. NAICS is based on a supply-side or production-oriented principle whereby the criteria used to group establishments into industries are similarities in input structures, labour skills and production processes (Statistics Canada, 2018). Unfortunately, NAICS has not been specifically designed to take into account the wide range of activities of large and highly complex companies and enterprises. NAICS thus tends to misrepresent, that is, underestimate the range of their activities. Furthermore, NAICS is unable to differentiate between producer services that are globally connected and support business globally, and producer services that only operate locally and sustain local or national economic activities. As it relates to an analysis of global cities, this is a crucial detail that NAICS does not take into account. This is also a limitation in Sassen's (2001) data and her use of the Standard Industrial Classification (SIC) system (Table 6.18). In the following section, I provide a general picture of the locational dynamics of six producer service sectors, but the limitations of NAICS needs to be acknowledges when interpreting this data.

**Table 1**

*NAICS Classification Codes for Various Producer Service Sectors. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

| Producer Services | NAICS codes |
|---|---|
| Accounting and Tax Preparation | 5411 |
| Advertising | 5412 |
| Finance | 5418 |
| Insurance | 5241, 5242, 5251 |
| Legal Services | 5211, 5221, 5222, 5223, 5231, 5232, 5239, 5259 |
| Management of Companies and Enterprises | 5511, 5416 |

***Results***

**Figure 1**

*2011 and 2019 Toronto Employment Survey: Accounting and Tax Preparation. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

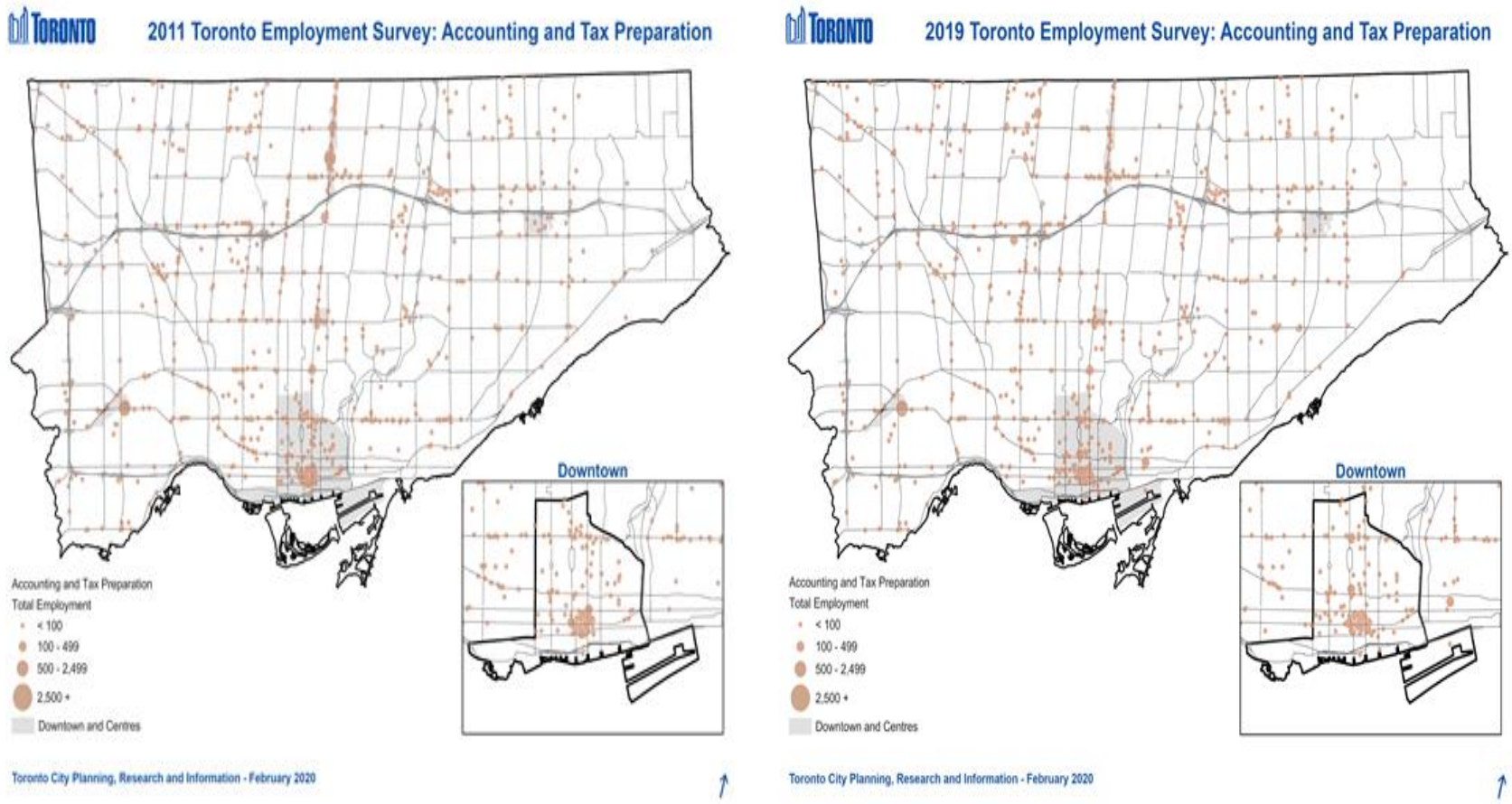


**Figure 2**

*2011 and 2019 Toronto Employment Survey: Advertising. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

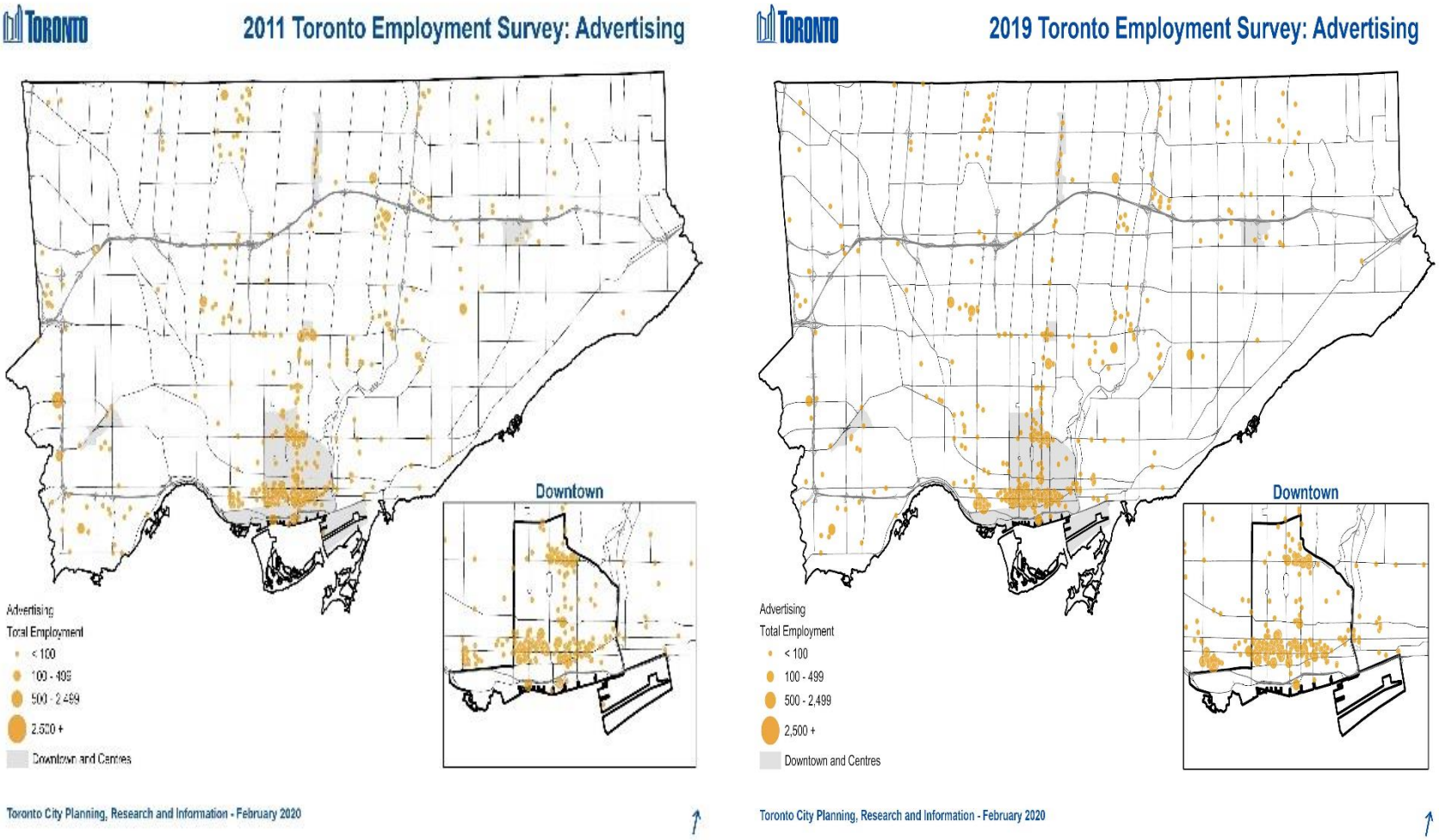


**Figure 3**

*2011 and 2019 Toronto Employment Survey: Finance. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

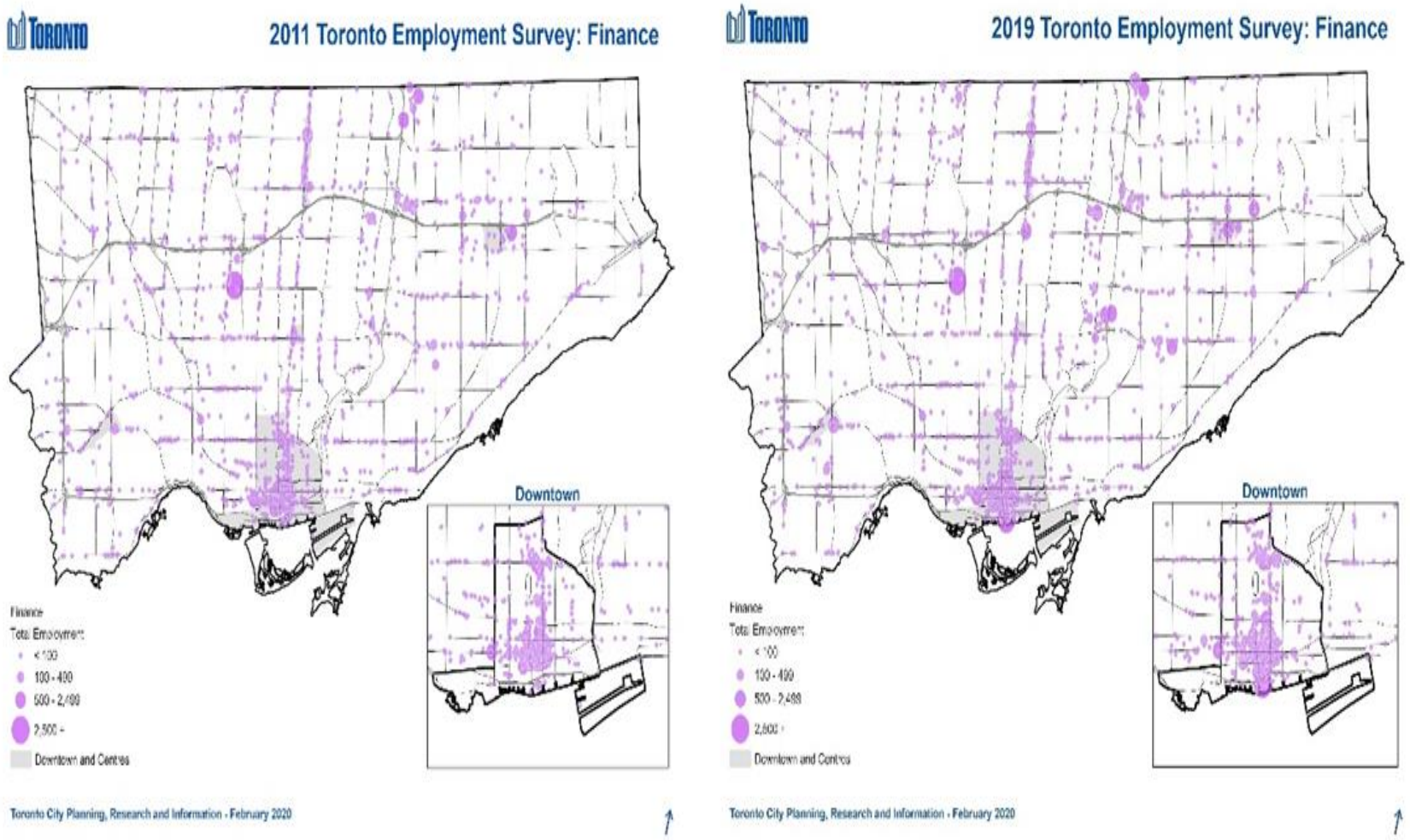


**Figure 4**

*2011 and 2019 Toronto Employment Survey: Insurance. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

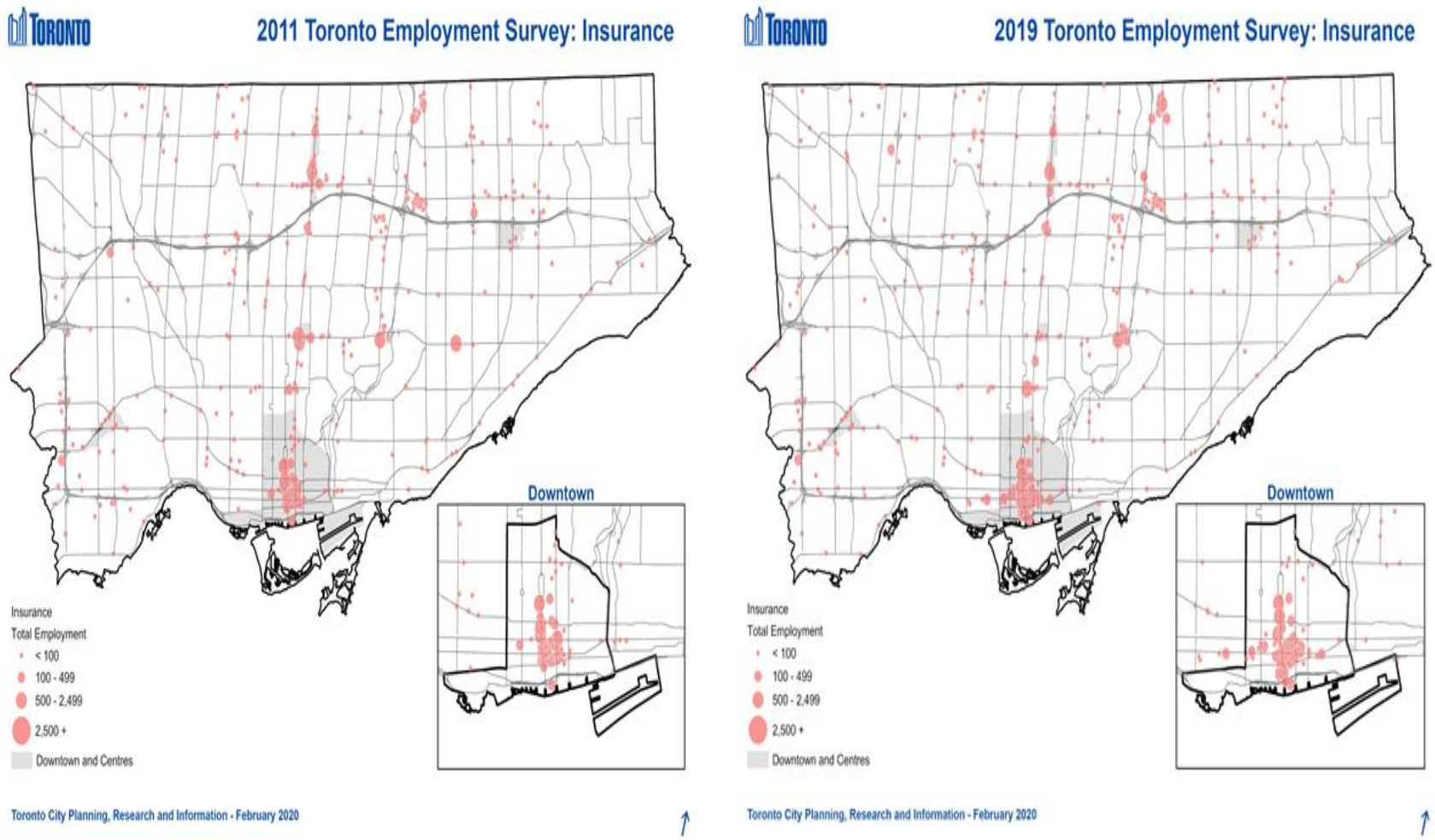


**Figure 5**

*2011 and 2019 Toronto Employment Survey: Legal Services. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

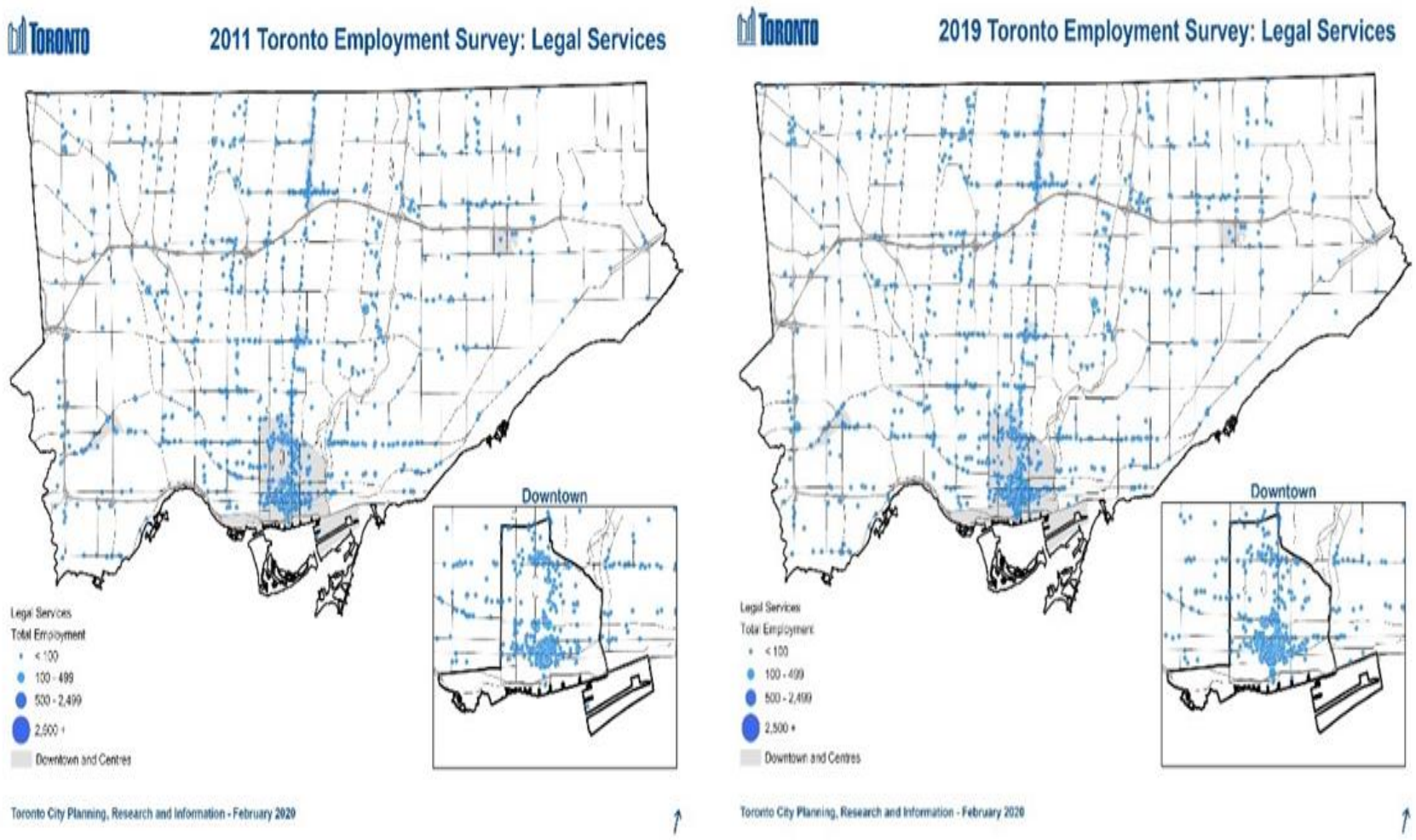


**Figure 6**

*2011 and 2019 Toronto Employment Survey: Management of Companies and Enterprises. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

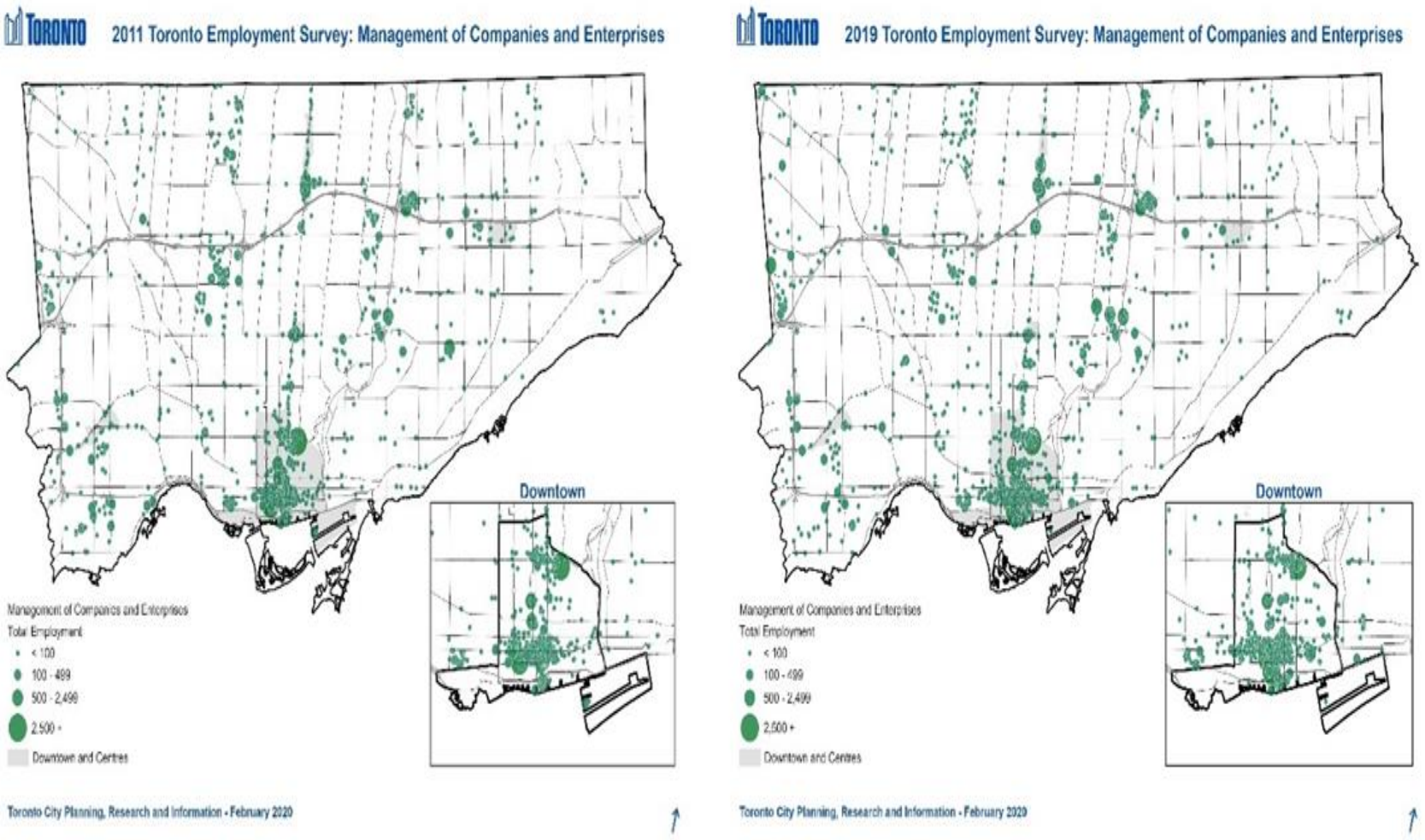


**Figure 7**

*2011 and 2019 Toronto Employment Survey: All Producer Services (Accounting and Tax Preparation, Advertising, Finance, Insurance, Legal Services, Management of Companies and Enterprises). Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

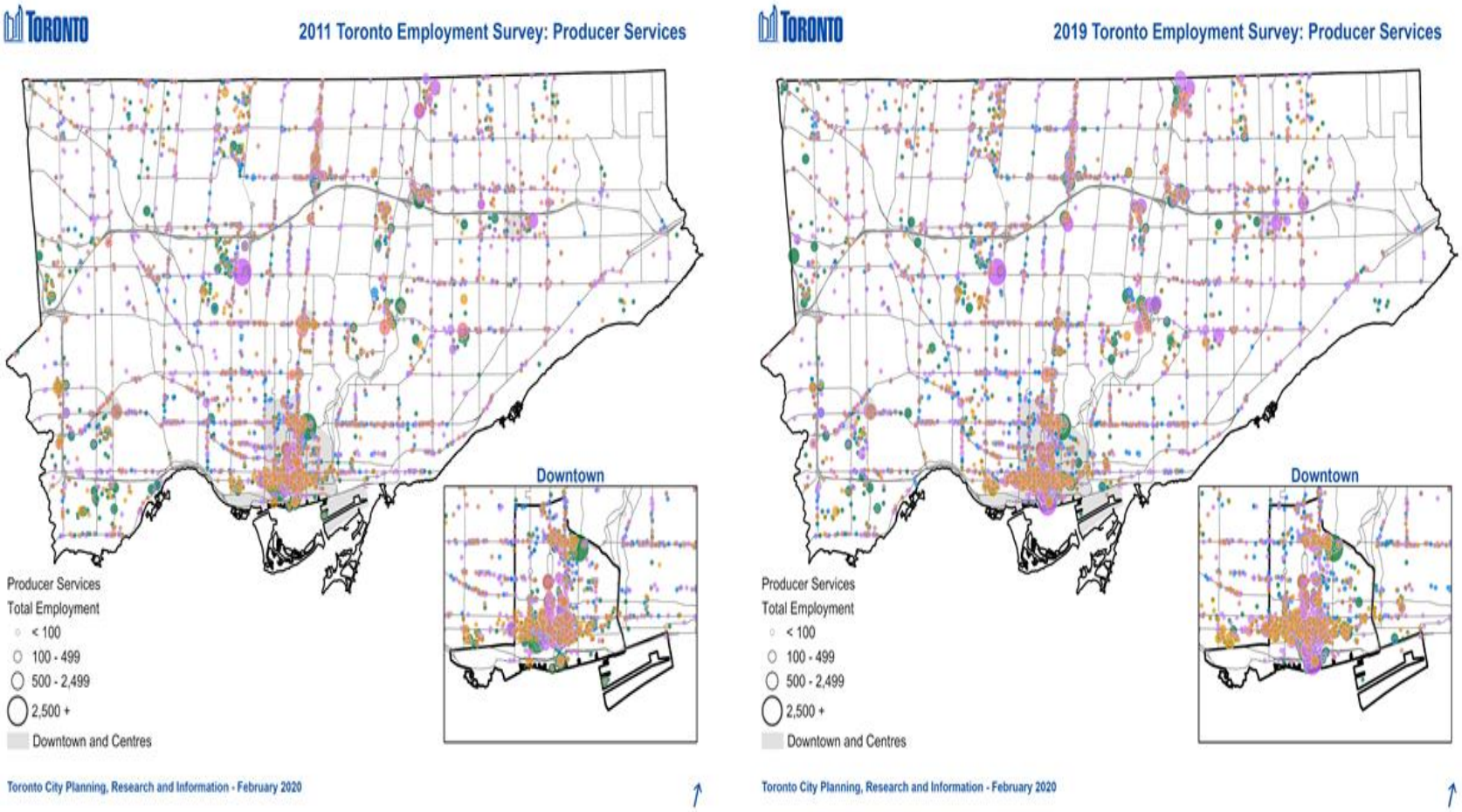


**Table 2**

*Employment Information for Various Producer Services Sectors in Toronto. Prepared by: City of Toronto, City Planning SIPA, Research & Information, February 28, 2020*

| Producer Services | 2011 Total Employment | 2019 Total Employment | Percent Change |
|---|---|---|---|
| Accounting and Tax Preparation | 14,199 | 10,891 | -30.4% |
| Advertising | 24,607 | 17,959 | -37.0% |
| Finance | 93,005 | 148,500 | 37.4% |
| Insurance | 24,607 | 24,695 | 0.4% |
| Legal Services | 29,986 | 31,466 | 4.7% |
| Management of Companies and Enterprises | 65,320 | 80,250 | 18.6% |
| Total Employment | 251,724 | 313,761 | 19.8% |

***Discussion***

Employment locations for each of the six producer services are centred in Toronto's downtown core. The downtown core far outweighs any other *Employment Centre* or *Urban Growth Centre* in Toronto, including Etobicoke Centre, Scarborough Centre, North York Centre, and Yonge-Eglington Centre (Ontario Ministry of Municipal Affairs and Housing, 2019). Additionally, clear locational niches are starting to emerge amongst different APS sectors in the downtown core. A specific example is the location of finance employment (Figure 3) compared to advertising employment (Figure 2). Finance is overwhelmingly located near the loop of the TTC's Yonge-University line (Line 1). While advertising seems to position itself along the east-west streets such as King, Front, and Adelaide.

The dense clustering of producer services in Toronto's Downtown core suggests that these firms are taking full advantage of the unique environments that Global Cities offer. For instance, Global City downtowns offer firms access to highly skilled talent. Downtown fulfills the urban, cosmopolitan lifestyles, amenities, and expectations of the highly educated people likely to be employed in these high-skill jobs, including access to

popular restaurants, café's, cultural venues, and even access to different modes of transportation like transit or biking. Secondly, Downtown offers firms access to a highly innovative environment, referred to as the agglomeration effect. The basic idea is that urban agglomerations (densely packed settings) facilitate the generation and spread of ideas, and also for the efficient input of highly specialized expertise. Sassen (2016) gives an example of how expertise in accounting, advertising, legal, economic consulting, public relations, designers, and printers are needed to produce a new financial product. The particular characteristics required for producing this service, includes multiple highly specialized inputs from several industries, generally in close proximity to one another. This is the type of environment Global Cities offer.

Furthermore, a study conducted by Renato Pereira and Ben Derudder (2010) identified multiple factors influencing the locational dynamics of 6 different APS sectors: accountancy, advertising, banking/finance, insurance, law, and management consultancy in the period between 2000 and 2004. Results indicate that only four factors are statistically significant—first, cities located in countries with extensive international trade. Secondly, city population is a predictor of APS location; global service firms are increasingly located in the world's megacities. Additionally, highly developed telecommunications technology, as well as air travel connectivity, both play a significant role in their locational choice. APS firms seem to be attracted to the productive conditions' cities provide, such as liberalized trade, and a large population, but also the specific infrastructure present in these places (telecommunications, airports). Global cities can facilitate the transmission of electronic information at high speeds. While large airports in these cities physically connect people and businesses to large international networks.

Overall, total employment for these six producer services is up 20% over an eight-year period (2011 to 2019). However, there is a lot of variability between each producer service. Both Accounting and Advertising have experienced a more than 30% reduction, Insurance and Legal services have stayed stable, while Management and especially Finance have grown significantly. It remains unclear why both Accounting and Advertising have experienced significant drops in employment. A potential reason

for this could be due to the organizational changes experienced by sizeable global accounting firms such as Deloitte, PwC, KPMG, EY, and Accenture (Meckfessel & Sellers, 2017). Many of these firms have increasingly deemphasized their audit business and expanded upon their management and consulting business as it reaps higher profit margins (Interview 3, Personal Communications, March 16, 2020). In terms of NAICS coding, this could result in a change in job classifications (and hence the 30.4% drop in Accounting jobs and an 18.4% increase in Management jobs in Table 2) to account for this broader organizational shift.

Concerning the large employment gains in the financial industry, the reason behind this massive growth needs to be contextualized. Back in 2011, global markets were beginning to recover from the stock market crash of September 2009, while countries like Canada and the United States were recovering from an economic recession. In general, the period between 2011 and 2019 represents a fruitful era for finance across the world and Toronto's employment growth in finance accurately reflects this. Interestingly, when compared to the total employment number out of this pool of six producer services, the share of finance employment grew from 37% in 2011 to 47% in 2019.

Additional research is needed to fully understand the growth in finance at the expense of other services like Accounting and Advertising, but Sassen (2000) offers an interesting point: industries like finance have the capacity to earn super-profits. This capacity is embedded in a complex combination of new technologies, financial innovations, and deregulated markets. She argues that "the presence of a critical mass of firms with extremely high profit-making capabilities contributes to bid up the prices of commercial space, industrial services, and other business needs, and thereby makes survival for firms with moderate profit-making capabilities increasingly precarious" (Sassen, 2000, p. 84). Sassen's theory could indicate that some of the city's producer services may be unable to compete with the likes of super-profit-making services firms like finance.

In all cases, the dense downtowns of Global Cities offer a strategic advantage to APS firms that do business globally. The growth and locational dynamics of these firms strongly indicate that Toronto is going through the process of Global City formation.

## Income, Occupation, and Spatial Polarization

This section utilizes data from scholar David Hulchanski as well as publicly available data from Statistics Canada. Regarding Hulchanski's work, it must be understood that his research is not considered a direct contribution to the Global City research field, nor does he discuss his findings with regard to Global City formation processes. He generally focuses his discussion on influencing public policy and public investment: "these trends could be slowed or reversed by public policies that would make housing more affordable to low-income households, by efforts to expand access to transit and services in neighbourhoods where the need is greatest" (Hulchanski, 2007).

It is however possible to connect his work to the World/Global City research framework indirectly via one of John Friedmann's seven interrelated hypothesis on World City formation. Friedmann argues that "World city formation brings into focus the major contradictions of industrial capitalism - among them spatial and class polarization" (Friedmann, 1986, p. 76). If Friedmann's theory is correct, and Toronto is going through the process of Global/World City formation, then class and spatial polarization should be on the rise. The reason behind this increase in polarization, and one of the central claims in World/Global City theory, has been subject to debate. Friedmann (1986) suggests that in World Cities, class and spatial polarization are generally caused by "huge income gaps between transnational elites and low-skilled workers, large-scale immigration from rural areas or from abroad, and structural trends in the evolution of jobs" (p. 76). Within the context of Friedmann's theory, I believe that Hulchanski's data provides valuable insight into the kind of occupational changes brought on by the

process of Global City formation and how these changes accentuate social and spatial polarization directly.

### *Results*

Hulchanski's data shows an interesting breakdown in occupational data from 1970 to 2006. City 1 (Census tracts that have above average individual income compared to City of Toronto average) are experiencing the sharpest gains in professional occupations from the 1970s to 2006 while shedding blue-collar occupations at the greatest rate. It is also important to note that City 1 has decreased its employment share in lower-end service occupations (69. Sales & Service Occupations). This is in contrast to City 2 (average income) and City 3 (below-average income) which have actually seen gains in this type of employment. His data shows a clear increase in the amount of occupational polarization between the three cities since the 1970s.

**Figure 8**

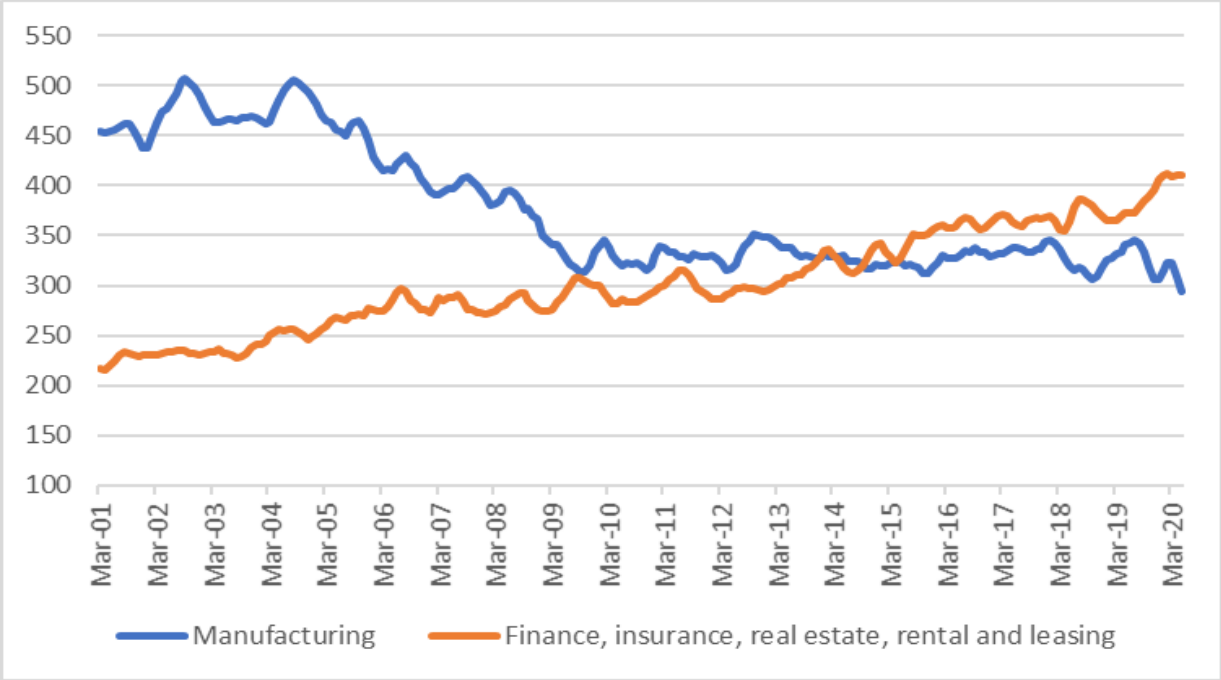
Figure 11*City of Toronto Employment Data Breakdown From 1971 and 2006. Source: Hulchanski, 2007*

| EMPLOYMENT | CITY 1 | CITY 2 | CITY 3 | CITY OF TORONTO |
|---|---|---|---|---|
| 66. White-collar professional occupations, 1971 / 2006 *(management, business, teaching, health, government and other related occupations, but excluding secretarial/clerical workers)* | 25% / 58% | 14% / 40% | 19% / 31% | 17% / 40% |
| 67. Blue-collar occupations, 1971 / 2006 *(manufacturing, construction, transportation, utilities)* | 18% / 5% | 31% / 16% | 27% / 24% | 28% / 17% |
| 68. Arts, literary, recreation occupations, 1971 / 2006 *(artists, actors, musicians, writers, athletes and related)* | 3% / 10% | 1% / 6% | 1% / 2% | 2% / 5% |
| 69. Sales & service occupations, 1971 / 2006 *(retail, food, hospitality and related)* | 21% / 17% | 20% / 23%% | 20% / 24% | 20% / 22% |
| 70. Other occupations, 1971 / 2006 *(primary industry, secretarial/clerical, occupations not stated)* | 33% / 10% | 34% / 15% | 33% / 19% | 33% / 16% |
| 71. Unemployment rate, 15 years and over, 1971 / 2006 | 7% / 5% | 8% / 7% | 6% / 9% | 7% / 8% |
| 72. Youth unemployment rate, 15-24 years, 2006 | 17% | 15% | 18% | 17% |
| 73. Self-employed, 15 years and over, 1971 / 2006 | 6% / 20% | 4% / 12% | 4% / 8% | 5% / 12% |

To put Hulchanski's data into context, the province of Ontario and the Toronto region specifically (corresponding to Statscan's CMA) went through a fundamental transformation to its growth model. The results were massive deindustrialization and the decline of core manufacturing industries while finance, insurance, real estate (FIRE) and other "new" economy industries took on an entirely new level of economic importance in the province. *Figure 9* allows readers to visualize this striking development since 2001. However, future analysis must include more details at a lower level of aggregation (such as census subdivision data) and ideally a longer term.

**Figure 9**

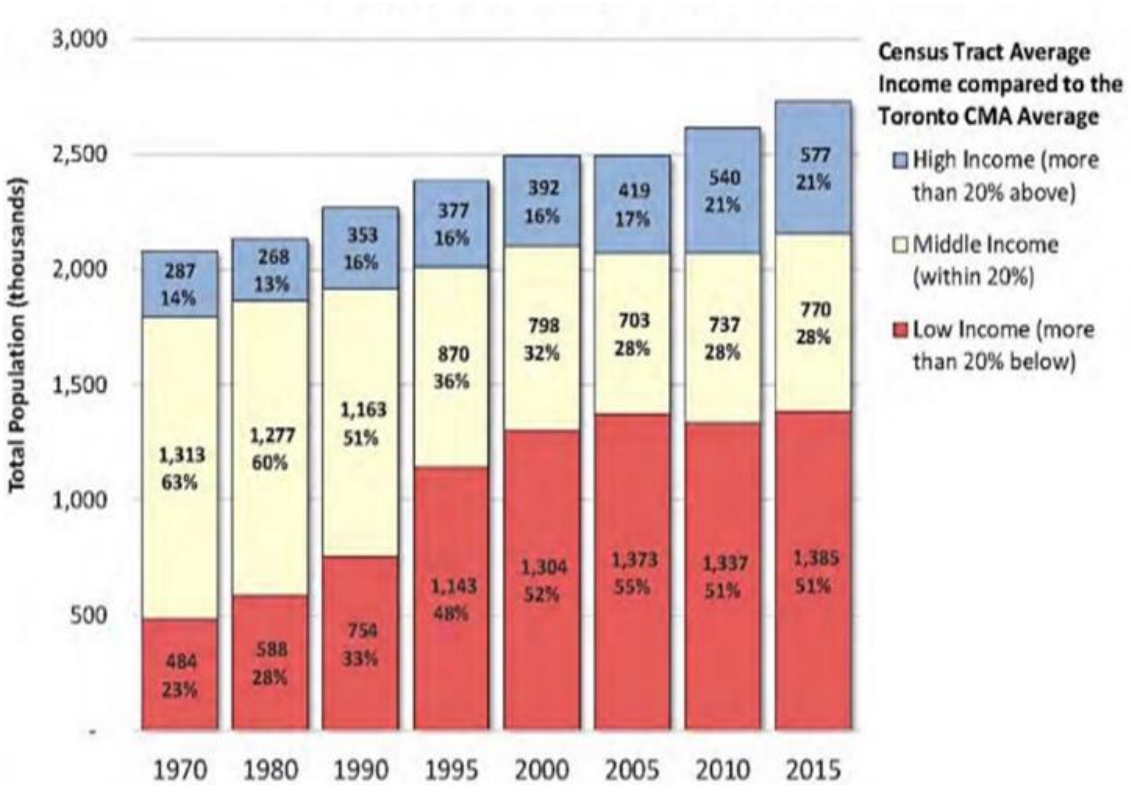
*Employment by industry, three-month moving average, unadjusted for seasonality, census metropolitan areas (x 1,000). Source: Statistics Canada (2020). Table 14-10-0097-01*




Furthermore, David Hulchanski's income distribution data clearly show a reduction in middle-income census tracts and an increase in both high-income and low-income census tracts from 1970 to 2015. The most dramatic shift in income distribution was between 1990 and 1995, which coincides with the recession experienced in Ontario in the early 1990s. According to Hulchanski (2007), Much of the census tracts the experienced downgrading were located in Scarborough. Since 1995, low-income census tracts have stabilized, but middle-income census tracks have slowly decreased and have been replaced mainly by higher-income census tracts.

**Figure 10**

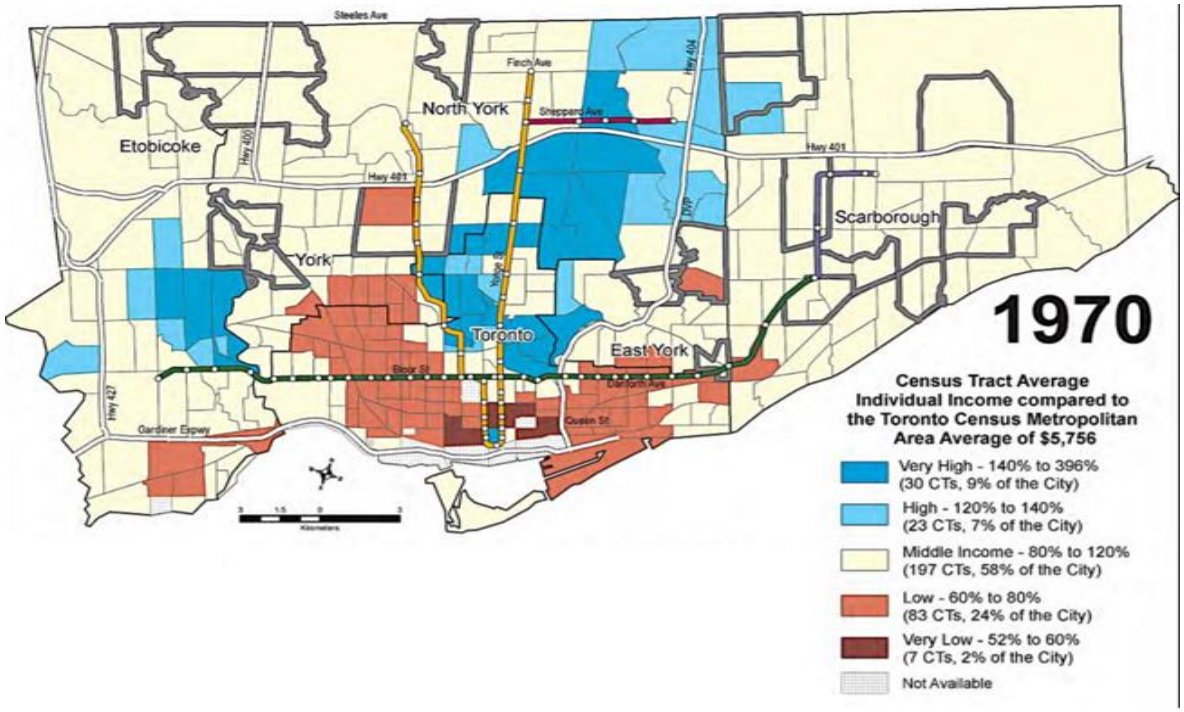
*Neighbourhood Income & Population, City of Toronto, 1970-2015. Source: Hulchanski, 2019*

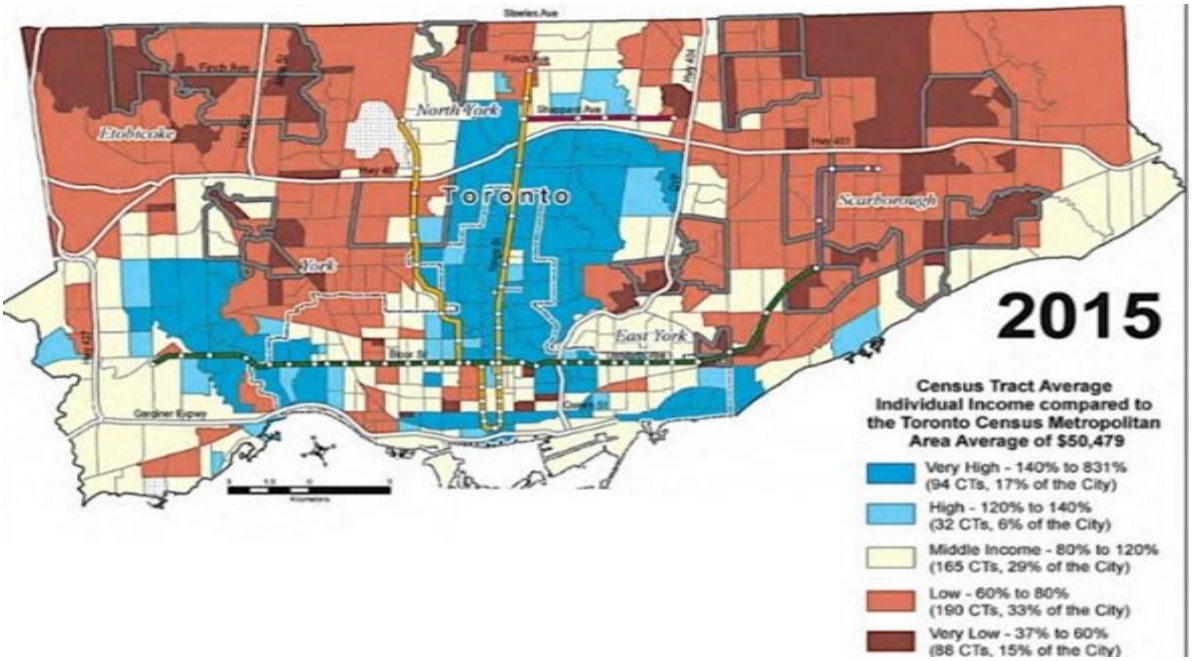



When income data is mapped out across Toronto, higher-income populations have seemingly clustered near transit lines and in newly developed and desirable areas such as the Waterfront. While low-income populations, which previously resided in the downtown core (1970), have increasingly moved away from major transit lines and the downtown core and into suburban neighbourhoods like Scarborough and Etobicoke (2015).

**Figure 11**

*Census Tract Average Individual Income Compared to Toronto Census Metropolitan Area Average in 1970 and 2015. Source: Hulchanski, 2019*



Based on David Hulchanski's data there is reason to believe that occupation, income, and ultimately, spatial polarization, have increased in the City of Toronto since the 1970's.

***Discussion***

In terms of the evolution of jobs, Sassen (2001) mentions that the major growth industries of Global Cities show a greater incidence of polarization as it relates to income distribution. Jobs are being produced at both the high-and low-paying ends of the spectrum. Income polarization is said to result from growth in high-wage jobs in the producer service industry held by educated professionals, and expansion of low-wage jobs within the producer and personal service industries, and a subsequent decline of middle-wage manufacturing jobs. However, these gains and losses are not distributed equally across the board - the expansion of low-wage occupations in Toronto are generally clustered in Hulchanski's City 2 (average income) and City 3 (below-average income) (*Figure 8*).

Furthermore, Chris Hamnett contests Sassen's claim that an expanding low-wage sector is an inherent feature of Global City formation. Hamnett (1994) sees polarization not as an outcome of Global City formation, but as a result of nation-state immigration and state welfare policies. When vulnerable immigrants are few, and welfare provisions are generous, Hamnett suggests that global cities will undergo "professionalization" rather than polarization. Likewise, if welfare protections are weak and large numbers of vulnerable immigrant workers are present, this will increase metropolitan inequality.

Both Sassen's (2001) and Hamnett's (1994) hypotheses were tested quantitatively by David Monaghan and Peter Ikeler (2014). The results of their analysis confirm a statistically significant correlation between Global City formation and growing income inequality. However, further examination of the causal explanatory connections between these variables (via Sassen's and Hamnett's hypotheses) is not considered statistically significant and cannot be supported. The failure of both Sassen and

Hamnett's explanatory models indicates that more research needs to be performed to explain how Global City formation impacts inequality. However, Monaghan and Ikeler (2014) suggest an alternative hypothesis: "global city formation may augment inequality more through the distribution of educational credentialing than the industrial distribution of employment" (Monaghan & Ikeler, 2014, p. 175).

### *Conclusion*

The purpose of this chapter was to provide empirical evidence to support the claim that Global City formation is the driving force behind Toronto's recent urban transformations. Data and maps were compiled through a variety of sources, including a partnership with the City of Toronto's Planning Division and existing literature. Both topics (*Growth and Location of Advanced Producer Services* & *Income, Occupation, and Spatial Polarization)* correspond to a claim made by key World/Global City theorists such as John Friedmann and Saskia Sassen. Ultimately, the results indicate that Toronto has experienced significant growth in its advanced producer service sector, a key sector for World/Global City growth. As expected, these firms primarily congregate in the downtown core to take advantage of agglomeration economies, accessible transit, and the cosmopolitan environment that downtown offers. However, Toronto has experienced an increase in occupation, income, and spatial polarization since the 1970s. Both these trends are characteristic of a city undergoing the processes of Global City formation.

Admittedly, there is yet no causal explanation for why exactly Global City formation increases polarization on a city-wide scale. However, possible explanations include the evolution of jobs linked to deindustrialization – Ontario and Toronto's economy shed much of its manufacturing and resource jobs in favour of the new knowledge economy and APS sector growth. Significant increases in land rents linked to APS sector growth and agglomeration, reduction in welfare state supports, and the introduction of Competitive City building policies (Albo & Evans, 2019; Drennen & Kelly, 2011; Kipfer & Keil, 2002).

# Chapter Five: TOCore and Toronto's Downtown Planning Policy

In the previous chapter, a variety of empirical evidence was provided to support the notion that Toronto's recent urban transformation is the result of a city going through the processes of Global City formation. I have also expanded upon the idea that locally embedded actions, not just global forces, can impact and influence Global City formation. For example, Competitive City planning represents one area where the processes of Global City formation are regulated and managed locally (Kipfer & Keil, 2002).

Nevertheless, becoming a Global City is an ongoing project that needs to be continuously reproduced. One of the ways it is reproduced is through city policy, and in this case, strategic planning policy. This chapter introduces the case study of TOCore, Toronto's most recent secondary plan for the downtown core. The TOCore initiative is particularly interesting for Global City research as it relates specifically to the downtown, an important space where Global City functions are generally performed. Secondly, a critical discourse analysis is performed on the TOCore secondary plan, as well as other relevant Toronto planning documents.

## Background on TOCore

The TOCore downtown secondary plan is Toronto's new planning framework for the City's downtown core. The Downtown Plan is a 25-year visionary document that "sets the direction for the city centre as the cultural, civic, retail and economic heart of Toronto and as a great place to live. The Downtown Plan provides a blueprint to manage growth, sustain liveability, achieve complete communities and ensure there is space for the economy to grow" (City of Toronto, 2020). This new Downtown Plan

represents the first comprehensive update to the downtown core's planning framework since the 1976 Central Area Plan. The 1976 plan introduced mixed-use policies and encouraged growth in the downtown core, in an effort to avoid a greater degree of suburbanization and inner-city neglect as experienced in many urban centres in North America.

By initiating the TOCore planning study in 2014, Toronto's city council recognized that unprecedented growth and development in the past decades was outpacing the City's ability to secure necessary supporting infrastructure. An updated planning framework was required to ensure downtown "remained liveable and economically competitive" (City of Toronto, 2020). An example of some of the new policy directions in the TOCore Downtown Plan includes: "A requirement to review development to ensure the adequacy of infrastructure to achieve complete communities, expansion of the Financial District and establishment of a Health Sciences District where non-residential space must be replaced in any redevelopment and opportunities to increase non-residential uses will be protected, replacement of office and non-residential space in any redevelopment in the Bloor-Bay Office Corridor, and promotion of non-residential uses supporting creative industries and the culture sector within the King-Spadina and King-Parliament areas" (City of Toronto, 2020).

The TOCore Downtown secondary plan is considered an Official Plan Amendment (OPA) and must adhere to a larger policy framework mandated by the Province of Ontario and specifically Section 26 of the *Planning Act* (RSO 1990, c. p. 13). This ensures that the plan conforms and/or does not conflict with provincial plans, such as Ontario's *Growth Plan for the Greater Golden Horseshoe*, and has regard for the matters of provincial interest (Section 2 of the *Planning Act)*, and is consistent with the *Provincial Policy Statement* (Government of Ontario, 2019). Under this policy context, Toronto's Downtown core is identified as an *Urban Growth Centre* which is considered a "regional focal points for accommodating population and employment growth" (Ontario Ministry of Municipal Affairs and Housing, 2019, p.11) and contains multiple *Major Transit Station Areas,* which are areas designated for growth in order to maximize "the number of potential transit users that are within walking distance of the

station" (Ontario Ministry of Municipal Affairs and Housing, 2019, p.17), Furthermore, "*Major Office* and appropriate major institutional development will be directed to *Urban Growth Centres, Major Transit Station Areas"* (Ontario Ministry of Municipal Affairs and Housing, 2019, p.19).

The Downtown Secondary Plan was officially adopted by City Council on May of 2018. However, due to Ontario's Planning rules, the adopted plan was subject to a final review by the Minister of Municipal Affairs and Housing. On June 5th, 2019, the Ministry issued a Notice of Decision approving the Downtown Plan. However, 224 modifications were made by the provincial government (City of Toronto, 2020). The modifications were seen by many as another example of the Ford government meddling in Toronto's affairs. Even downtown Toronto councillors such as Mike Layton, Joe Cressy, and Kristyn Wong-Tam, called the modified plan the "wild west for developers" (Herhalt, 2019).

## Discourse Analysis of TOCore and Related Policy Documents

Critical Discourse Analysis (CDA) has become a useful tool for researchers who recognize the important role that language plays in the policy making process. It is argued that a close examination of language can yield a more nuanced understanding of the policy process that is not always evident when using other research techniques (Jacobs, 2006). It is however important to acknowledge its limitations as a methodology as well (see Breeze, 2011). As mentioned in Chapter 1, I have structured this CDA using Norman Fairclough's three-dimensional framework: *text analysis, discursive practise, social practise* (refer to *methodology* section) to investigate the connection between the policy's language and broader political and social transformations. Additionally, I take cues from Greg Marston's work on the changing discourses within Australia's public housing. He employs the term "order of discourse" which refers to the totality of the discursive practises of an organization or social institution (Fairclough, 1992; Marston, 2004). This notion is central to CDA because it "mediates the

relationship between the social and the linguistic; it is the discursive representation of the changing organizational and institutional order" (Marston, 2004, p. 9). The changing order of discourse will be discussed in relation to Toronto's planning policy throughout the years, culminating in the creation of TOCore. It is important to note that policy discourse tends to be self referential, which explains how policy language often circulates from document to document and why TOCore resembles the main text of Toronto's Official Plan, in its use of language but also the various assumptions it makes.

An example of the changing order of discourse in Toronto's planning policy has meant that enhancing *competitiveness* has become one of the underlying themes in Toronto's planning language. In the TOCore plan, downtown is often discussed in terms of its role in connecting the city, the region, and even the country, to the global economy, as well as enhancing its global competitiveness. For instance, policy 3.10 says: "Downtown will project a competitive image of Toronto to the world as an attractive place to live, work, learn, play, invest and visit" (City of Toronto, 2019a, p. 6). This policy is indicative of the role competitiveness plays in this document. The following explanation indicates why this specific policy was included in the text:

> "I think that statement, although it sounds general, it's actually bringing everything together and putting that in a competitive lens, which I think wasn't always done right, especially in Toronto…You need to be competitive on all of those different pieces and all of these services, parks, community services, retail, the waterfront…" (Interview 2, Personal Communications, March 3).

This quote is an example of a subtle redrawing of the discursive boundaries when it comes to discussing urban life. Various aspects of urbanity, city services, and public amenities, such as parks, community services, the environment, transportation networks, and culture, are increasingly being discussed in terms of their role in enhancing competitiveness. For example, Toronto's policy documents draw a discursive link between competitiveness and the natural environment.

From TOCore:

> "Planning for a liveable, competitive Downtown requires minimization of emissions, reducing electricity demand and building a resilient core that can

> withstand extreme weather and area-wide power outages" (City of Toronto, 2019a, p. 59)

from the Official Plan:

> "Strong communities and a competitive economy need a healthy natural environment. Clean air, soil and water and abundant trees, parks and open spaces, underlie our health and well-being and attract people to work and invest in the City" (City of Toronto, 2017b, 3-32)

Furthermore, Toronto's planning policy documents also make a discursive connection between economic competitiveness and culture. Connecting competitiveness and culture achieved popular appeal by way of Richard Florida and his theory of the Creative Class. In short, his theory suggests that a city's fortunes increasingly rely on the capacity to attract and retain a mobile class of creatives who power innovation and economic growth (Florida, 2003). However, Florida's theory has been widely criticized for "extending and recodifying entrenched tendencies in neoliberal urban politics, seductively repackaging them in the soft-focus terms of cultural policy" (Peck, 2005, p. 740). Nonetheless, Toronto's policy language reaffirms this idea. The authors of TOCore suggest that:

> "A vibrant Downtown attracts talent and will continue to help position Toronto as a leading and globally competitive creative capital" (City of Toronto, 2019a, p. 6).

This discursive link is also noticeable in the main texts of Toronto's Official Plan:

. > "Our cultural industries are also an important sector of our local economy. Strategic municipal support for our cultural capital will contribute to a healthy City economy, promote cultural tourism and help us to be competitive in attracting and keeping businesses, particularly in the relatively mobile knowledge-based industries." (City of Toronto, 2017b, 3-43)

When examining the broader social and political practises, the term *competitiveness* is closely associated with market forces and market rationality which follows an underlying ideology that believes in open, competitive, and unregulated markets, often liberated from all forms of state interference, represents the optimal

mechanism for economic development (Brenner and Theodore, 2002). This is synonymous with a monetarist and supply-side approach to economic development which believes that increasing the supply of investment translates into economic growth. Supply-siders see state intervention as a way to help foster production by way of cutting taxes, lowering borrowing rates, and deregulating industries. Supply-side economic doctrines replaced Keynesian forms of demand-management economics (characteristic of the post-war period) which is based on the theory that an increase in demand will call forth a corresponding increase in supply. And if demand falters, the government should intervene with fiscal and monetary stimuli (Brenner & Theodore, 2002; Frank, 1981). Furthermore, *competitiveness* is often associated with the transformation in urban governance from managerialism to entrepreneurialism (Harvey, 1989). Managerial practises primarily focus on the local provisions of services, facilities, and benefits to urban populations, while the shift to entrepreneurialism is often embedded in a framework of "zero-sum inter-urban competition for resources, jobs, and capital" (Harvey, 1989, p. 5).

In conclusion, it is argued that TOCore and the Official Plan's use of the term *competitiveness* can be interpreted as a discursive representation of a changing organizational and institutional order (Marston, 2004) which imparts new forms of economic rationality and market discipline upon all aspects of social (and urban) life (such as culture, parks and open space, transportation, and the environment).

# Chapter Six: TOCore and the Role of Local Actors

In previous chapters, it was argued that locally embedded actions and strategies have considerable influence on Global City formations. An example of a locally embedded strategy is the TOCore downtown secondary plan. I argue that this new planning strategy represents one of several sites in which Toronto is consolidated into a "Competitive City" and where Global City formation is managed and regulated (Kipfer & Keil, 2002).

In many cases, an analysis of policy stops at the level of the policy document. What needs to be made clear is that policy is produced by a collection of individuals. My analysis of TOCore discusses the role of a group of individuals referred to as *local actors*. *Local actors* are directly responsible for the creation of the TOCore Secondary Plan. As this is a planning document, this group disproportionately includes City Planners but also includes economic development staff and personnel from private consulting firms who also worked on the project.

In the Toronto context, local actors are directly accountable to the elected officials they serve (Toronto City Hall), they are obligated to work with the community and undertake a robust public consultation process to determine the public interest. As mentioned previously, local actors must work within a greater policy context, mandated by the Province of Ontario. They must follow the standards of their respective professional organizations such as the Canadian Institute of Planners (CIP) and the Ontario Professional Planners Institute (OPPI). Furthermore, local actors are influenced by the unwritten social, cultural, and institutional norms that permeate every aspect of our lives. Therefore, policy development does not take place in a vacuum; In fact, these conditions act to mold policy in a determined direction. Within this context, I look to analyze TOCore's specific policies, and the role local actors play in:

1. (Re)producing Global City formation via the creation of strategic planning policies

2. Regulating/normalizing Global City formation through the planning process via establishing norms, conventions, patterns of conduct, to help structure and enable Global City growth to occur in a relatively stable way despite its contradictions.

## (Re)producing Global City Formation Through TOCore's Policies

Before TOCore, the 1976 Central Area Plan was influential in introducing mixed-use policies to the downtown. Mixed-use policies encouraged residential growth and helped Toronto avoid a greater degree of inner-city deterioration that many downtowns across North America experienced. During the early 1990s, a recession hit the province of Ontario and Toronto particularly hard, but what resulted from this was a new era of downtown planning and centralization. For example, Toronto's Waterfront opened up for redevelopment (refer back to Chapter 2 for further detail). Around the same time, "The Kings", which included heavily industrialized areas around Kind-Spadina and King-Parliament, were redesignated as "Regeneration Areas". This new policy loosened zoning regulations in order to incentive new development (Wickens, 2016). While in 2008, the City implemented the Imagination, Manufacturing, Innovation and Technology (IMIT) property tax incentive program.

IMIT is a property tax grant for new construction in targeted employment uses. The program started at the end of 2008, and was viewed as a:

> "Response to kind of the opposite situation that we are seeing now where we really have not seen any new construction anywhere in the city, including downtown and the financial district for some time. Most of the new development was taking place in the 905. and part of that was identified as the property tax differential. Commercial, industrial property tax rate in the city… we are significantly higher than in the 905" (Interview 5, Personal Communications, March 18, 2020).

The program has already approved 50 applications, while approximately 12 additional projects are in the pipeline. Since its inception in 2008, the IMIT program has provided an estimated $350 to $500 million in incentives. Geographically, the applications have come from all over the city, but the majority of incentives have been directed towards large office projects in the downtown core (Interview 5, Personal Communications, March 18. 2020). Interviewees touted IMIT's influence in bringing investment back in the core. One interviewee said,

> "We came into it, and the market was one way [referring to the dominant 905 market]. I like to think that the IMIT program supported, and maybe put it [referring to the market shift to downtown] a little bit on steroids" (Interview 5, Personal Communications, March 18, 2020).

Fast forward to 2014 when Toronto City Council initiated the TOCore study, this was clear recognition that the Downtown was experiencing an immense amount of both residential and non-residential growth and that the past planning framework, the 1976 Central Area Plan, "did not anticipate this level of growth or centralization focus" (Interview 1, Personal Communications, March 3, 2020). There was a need to update the planning framework to account for this new reality. The original vision for TOCore was supposed to be an infrastructure plan meant to link infrastructure provision funding to population and employment growth. However, TOCore planners realized that creating infrastructure strategies would be hard to achieve and early on in the process, the vision shifted to a "land use planning and essentially creating a secondary plan. It was about managing growth, growth in population. Infrastructure strategies were still present, but it was not directly related to the degree that it was initially" (Interview 4, Personal Communications, March 17, 2020).

## Normalized Vision for Downtown

The vision for the new TOCore plan suggests that Downtown continues to maintain its role as a hub of finance, commerce, innovation and creativity, and the economic driver for the City. According to one interviewee:

> "I think the vision statement for the downtown represents a number of roles that the downtown plays in which we wanted to continue. It was about downtown as a global hub of finance and innovation and the arts and culture. The role most downtowns play for their cities. We wanted that role to absolutely continue because it is essential for the prosperity of this city" (Interview 1, Personal Communications, March 3, 2020).

Furthermore, the plan's policies operationalize this vision by protecting and promoting non-residential uses (like commercial office space) to ensure long-term employment growth and encourage ongoing economic growth. One planner mentioned that:

> "You ask yourself the question, could we have done TOCore in a different way? Or could we have coupled this with an update to The North York Secondary Plan or Scarborough to see if we could disperse the growth to different areas of the city? But quite honestly, transit accessibility is an essential piece. Over time, the centrality of transit in the city has driven concentration because of accessibility" (Interview 1, Personal Communications, March 3, 2020).

While performing these interviews, there was a sense that the TOCore initiative induced little conflict amongst the public. In fact, one planner said that "with respect to TOCore and the economic role of downtown, I do not think that at a grassroots level in the city, there was that much tension" (Interview 1, Personal Communications, March 3, 2020). In terms of the major stakeholders, one planner mentioned that:

> "The residents' associations loved what we were doing and we have their support, the BIA's [Business Improvements Area's] generally we had their support, institutions generally, they wanted small things fixed, but generally we have their support, The business associations in the financial district liked what we were doing. Politically we were supported. It was residential

> development because that's where we were putting the squeeze a little bit in a very minor way" (Interview 2, Personal Communications, March 3, 2020).

Ultimately, the central conflicts and tensions related to the plan were from the Building Industry and Land Development Association (BILD) and the broader residential development industry. Residential developers were opposed to a variety of policies, including tower separation distance, and park shadowing, that they feared would restrict their flexibility.

There was internal alignment amongst the consultants and planners who created the plan, and an external alignment amongst the public, the resident's groups, the business community, and the local political establishment. The caveat is, of course, the residential developers who opposed the plan's policies and may have used their vast lobbying machine to encourage the Provincial government and specifically the Ministry of Municipal Affairs and Housing's to alter the Downtown Secondary Plan in their favour. In a City Planning report analyzing the modifications made to the *council adopted Downtown plan*, there is recognition by the Minister's office that "Downtown will continue to be an economic driver with a requirement to protect and promote non-residential uses in the Downtown's major employment clusters" (City of Toronto, 2019b, p.5). However, the Minister's decision modifies or deletes a variety of policies that would have given the City more control in containing residential uses and increasing non-residential land uses in the Financial District, Health Sciences District, and the Bloor-Bay Office Corridor. This is also the case for the King-Spadina and King-Parliament Areas, where the ability to secure non-residential space, and especially cultural space, is significantly weakened by subtle changes in the policy's language.

Despite the minister's modifications, there was not any fundamental disagreement about the role of Downtown and the plan's vision for the next 25 years. There was perhaps a misalignment in terms of how the vision is to be achieved in practice. Both the Province and City favour a mix of uses for the downtown, but the Province includes greater flexibility for residential development. Nonetheless, there is a strong indication that Downtown will continue to be the financial and innovation hub and

play a central role in Global City expansion. This vision remains practically uncontested and has effectively been normalized.

## TOCore Policies: Land Use and the Economy

It is important to recognize that the TOCore team took a holistic approach to planning downtown. They included policies that focus on *Land Use and Economy, Parks and Public Realm, Mobility, Built Form, Culture, Energy and Resiliency*, and more. For the purpose of this analysis, I have explicitly focused on the *Land Use and Economy* policies of the plan since they are more compatible with a World/Global City approach.

### *Land economics perspective*

Members of TOCore emphasized that the downtown secondary plan was as much of an economic plan as it was a land-use plan: “it is one of the most economically focused land use plans I think the City has ever done” (Interview 1, Personal Communications, March 3, 2020), and “we were taking economic development and land economics into account in a serious way” (Interview 4, Personal Communications, March 17, 2020). It became increasingly clear to the TOCore team that as the downtown became a more desirable place to live, residential development in the core started to boom. However, opportunities to expand the supply of commercial office space became increasingly constrained as residential development competed for land. Institutions and commercial developers were being outbid by residential developers on the value of land, and there was a concern that the City would not have enough space to accommodate the anticipated growth in employment, especially close to critical transit infrastructure. From a land economics perspective, one planner mentioned that:

> “Residential [developers] has been able to outbid on land value compared to office because the returns people were getting on condos were really high. Whereas with office [development], the returns tend to be less. It was more of a long-term play. Think about how hard it is to get the tenants lined up in advance for an office building. You got to get a huge commitment up front; you

> have to assemble a huge piece of land; it could take a long time. The construction also takes a long time. You could sell the office building immediately, but more typically, people hold on to it for 20 years, they might sell then and get their return. You could make a lot of money over the long term for office development. But for residential condos, it is a really quick return on your money; it is a smaller site. Therefore, they are able to pay higher amounts for land then for office." (Interview 4, Personal Communications, March 17, 2020).

In order to rectify the constraints on non-residential growth, Toronto's City Planning division collaborated with Hemson Consulting and SvN, two local planning consultancy firms, to prepare a report titled: *Planning Downtown: The Outlook for Office & Institutional Employment to 2041 (OOIE)*. This report explores the imbalance between residential and commercial development in the downtown and looks at the "long-term prospects for employment growth in Toronto's Downtown. It examines office and institutional employment, the space requirements to accommodate this type of employment growth and the resulting land-use policy implications. It contains recommendations designed to ensure that future development Downtown protects and encourages ongoing economic growth" (City of Toronto, 2018a, p.1). The recommendations from this report informed Map 41-2 (*Figure 12*) and variety of policies in the TOCore Downtown Secondary plan including policy 3.11 which offers "Protection and promotion of non-residential uses in the Financial District, the Health Sciences District, the King-Spadina and King-Parliament Secondary Plan Areas and the Bloor-Bay Office Corridor to allow for long-term employment growth" (City of Toronto, 2019a, p. 6).

**Figure 12**

*Map of Bloor-Bay Office Corridor, Health Science District, and Financial District Boundaries in Downtown Plan. Source: City of Toronto, 2019a.*

In 2000, the City of Toronto commissioned a report titled *Toronto Competes* in order to assess Toronto's global competitiveness and guide the city's economic development policy in the future. The report makes the case that the drivers of economic development in Toronto and the GTA are tied to the expansion and competitiveness of a variety of industry clusters: "an expanding export base – or competitive clusters – is the key to the economic prosperity of the City because exports bring money into the region to be circulated among local-serving enterprises and their employees" (City of Toronto, 2000, p. 7). Some of these clusters include Aerospace, Biomedical & Biotechnology, Business and Professional Services, Financial Services, Tourism. Interestingly, TOCore's land-use policies which intends to protect and promote non-residential uses in various districts (Health Science District, Financial District) is intricately linked to the city's economic development objectives going as far back as the year 2000.

### *Health Sciences District*

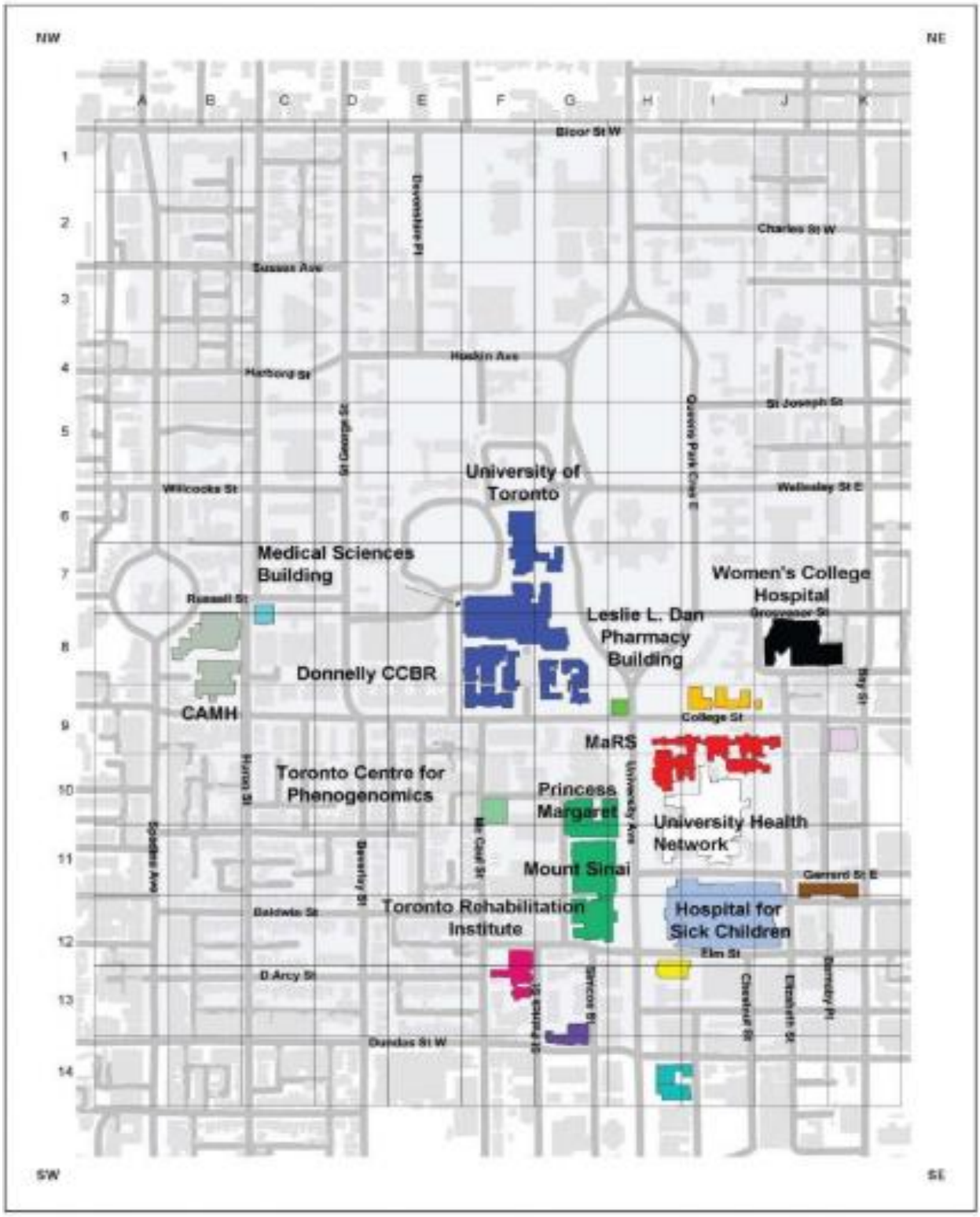
TOCore introduced a new Health Science District to the Downtown Core to ensure non-residential spaces such as hospitals, and other medical-related facilities could compete with residential development and ensure the present and future healthcare needs of the City, as well as the region and the province, could be met. TOCore planners provided an example of the deficiencies of the previous downtown plan: Mount Sinai Hospital tried to bid on a parcel of land previously occupied by Silverstein Bakery. This land sat right behind the hospital and represented a logical location for expansion. However, the hospital was outbid and lost the land to a residential developer (Interview 1, Personal Communication, March 3, 2020). This situation emphasized the need to secure further protections for medical facilities.

The new Health Science District preserves the clustering of hospitals and academic institutions. A prime example of the benefits of agglomeration and clustering of these hospitals and institutions is manifest in the University Health Network (UHN). The UHN is comprised of the Toronto General and Toronto Western Hospitals, the Princess Margaret Cancer Centre, Toronto Rehabilitation Institute, and The Michener Institute of Education. Spatial clustering has allowed the UHN to eliminate redundancies

in the health care system by maximizing the use of resources and by coordinating care and patient services across its many locations. The UHN is also affiliated with the University of Toronto, where it runs a highly sophisticated research program in fields such as cardiology, transplantation, neurosciences, oncology, surgical innovation, infectious diseases, genomic medicine, and rehabilitation medicine (University Health Network, 2020). This arrangement allows resources and expertise to be shared to help advance the discovery making process. While TOCore's *Institutional Uses* policy (6.11 – 6.12) *Health Science District* policies (6.13 – 6.16) along with the *Post-Secondary institutions'* policy (6.17) helps to protect and strengthen the spatial connections between the post-secondary institutions and the hospitals. *Figure 13* shows the spatial clustering of these institutions.

**Figure 13**

*Map of Toronto Discovery District. Source: (Toronto discovery district, n.d)*



From an economic development perspective, the plan also envisions the creation of economic activity through the commercialization of new research and discoveries (Interview 1, Personal Communications, March 3, 2020). This is provided by the close spatial linkages to the Medical and Research Sciences (MaRS) Discovery District site at the corner of University Avenue and College Street. MaRS is an urban innovation hub that specializes in four main sectors: health, cleantech, financial technology (fintech), and enterprise. They provide space, advisory support, and access to a network of investors and other partners for startup companies with high-growth potential (MaRSDD, 2020). The spatial clustering of all these facilities promotes a productive assembly-line like environment where foundational research (located in the University), clinical testing (located in the hospitals), and the commercialization of this research (located in MaRS, or other office spaces nearby) can happen within the same block.

### *Bloor-Bay Office Corridor*

Protecting and enhancing Bloor-Bay Office Corridor was another important policy directive. The OOIE report makes the case that this corridor acts as a secondary cluster (behind the financial district) for financial and business services, the majority of which is clustered along Bloor Street. On the other hand, the Bay Street corridor is dominated by the Provincial workforce and its suite of office buildings. Policies 6.6-6.8 help to protect this clustering around the provincial legislature. Furthermore, in *Figure 12*, the *Bloor-Bay Office Corridor* connects to the North-West corner of the *Health Science District*. According to one of the authors of the OOIE report, they were very deliberate in making sure that the commercial office market of the *Bloor-Bay Officer Corridor* continues to be in close proximity to the medical institutions in the *Health Science District*. From an economic development angle, these connections are essential. The reason being was that the “commercial office market in that vicinity…if you look at the tenant list, it is full of everything that is related to the medical institutions” (Interview 3, Personal Communications, March 16, 2020).

### *King-Spadina and King-Parliament Secondary Plan Areas (the Kings)*

Section 2 of the *Downtown* section of the Official Plan was also amended as part of the TOCore initiative. Policy language was added to show the significance of these areas as hubs for the creative and cultural industries, and increasingly now the technology sector. The Downtown Secondary Plan deals primarily with policies that balance residential development and commercial development in order to strengthen the creative and cultural sector in the area (See policy 6.9 and 6.10). However, more detailed policies are addressed in separate plans: *King-Spadina Secondary Plan* and *King-Parliament Secondary Plan*.

### *Expansion of the Financial District*

The *Downtown* Secondary Plan continues to see the *Financial District* as the headquarter location for Canada's financial and business service sector. However, during community and stakeholder consultations, the primary concern was that continued residential development was limiting the growth prospects for commercial office development in the downtown core. In order to protect the existing office stock and have the space necessary for future growth, planners expanded the boundaries of the *Financial District* further east and west, as well as further south to the rail corridor, where it has the opportunity to flank the planned Rail Deck Park. In the context of provincial policy, planners also had to optimize transit investment and ensure that employment is concentrated in locations well-served by transit. It was explained that "residential can kind of go in a lot more places than office can. Particularly now, office needs to be within walking distance of major GO train stations [Union station]" (Interview 4, Personal Communications, March 17, 2020).

Planners were also aware of the importance of the development industry and their reactions to the policies:

> "The other thing about developers is that they want to be treated equally, so as long as they feel that there is an equal playing field, they kind of like that because then they know that whatever they are being asked for, their competitors will also be asked for…So I think part of it was educating both sets of developers on both sides of the equation [referring to both commercial and residential developers],

> and then it was coming up with policies that treated everybody equally" (Interview 2, Personal Communications, March 3, 2020).

### *Conclusion*

Although the Downtown Secondary Plan is a holistic initiative that covers other important aspects of planning, such as mobility, built form, culture, housing, and energy, I have focused my analysis primarily on the *Land Use and Economy* section. Throughout the interview process, interviewees expressed that residential developers were able to outbid commercial developers for coveted pieces of land in the downtown core because the returns on investment for condominiums were larger than commercial development in the short term. This was concerning for the various institutions, cultural facilities, hospitals, and office development whose growth opportunities were becoming severely limited. Consequently, the TOCore team created policies to protect and promote non-residential uses in strategic areas such as the Health Sciences District, Bloor-Bay Office Corridor, Financial District, and "The Kings" (King-Spadina and King-Parliament areas) to ensure long term employment growth.

It is important to note that the tension between residential and commercial developers, and residential and employment uses in Toronto's downtown core does not represent a fundamental conflict between opponents and proponents of Global City formation, but rather a spatialized conflict within this broader process. In fact, data from the City of Toronto indicates that in 2016 residents living in the Toronto and East York district, on average, worked more in professional occupations, while working less in manufacturing and low skill service jobs than the rest of the City (City of Toronto, 2018b). On an even more specific level, demographic data for Wards 10,11, 13 which incorporate TOCore's boundaries (*Figure 12*) show the same trends (City of Toronto, 2018c, City of Toronto, 2018d, City of Toronto, 2018e). A significant portion of residents in the downtown have jobs in various APS sectors and tapping into the local residential labour pool is oftentimes mentioned as a rationale for employers locating jobs downtown.

Nonetheless, TOCore's *Land Use and Economy* policies effectively promote employment uses, and especially office uses (Bloor-Bay Office Corridor and Financial District policies) in the downtown core. The majority of office space in downtown is already occupied by a variety of advanced producer services (see *Figure 1-7*). Consequently, further expansion of employment uses, and office uses in the downtown core will likely lead to further growth and expansion of the advanced producer service (APS) sector in Toronto. This is especially true for sectors with super-profit-making potential such as finance (Sassen, 2000). APS firms help maintain critical connections between the World City Network and various Global Commodity Chains (Brown et al., 2010) and as the APS sector continues to grow in Toronto, the city becomes further integrated with the world economy and this effectively expands the city's Global City function. As John Friedmann argues: "*the form and extent of a city's integration with the world economy, and the functions assigned to the city in the new spatial division of labour, will be decisive for any structural changes occurring within it*" (Friedmann, 1986, p. 70). His hypothesis indicates that the more integrated a city is to the world economy, various structural changes (including a polarized labour market which generates high wage jobs and low wage jobs, and greater socioeconomic, spatial, political polarization) will become more pronounced (Friedmann, 1986; Sassen, 2001). This is an example of how land use and strategic planning policies may play a role in (re)producing and expanding Global City formation in Toronto.

# Chapter Seven: TOCore's Role in Regulating Local Society

In this section, I use Regulation Theory to analyze the creation of TOCore, the City of Toronto's recent planning initiative for the Downtown. As expressed in the preceding section *TOCore: (Re)producing the Global* City, there is evidence to suggest that the role of Downtown has effectively been normalized and the vision and policies for economic development, residential, and job growth, are consistent with Global City expansion. Having established this point, I now turn to the following question. How does Toronto's Global City project continue to sustain itself? Why does Global City formation occur in Toronto and other cities around the world, despite all of its contradictions, which include an increase in the amount of economic, spatial, political, and sociocultural polarization?

Concerning my analysis, it is appropriate to employ Jones' (1997) third-generation approach to regulation theory (see appendix I for an overview of regulation theory). As mentioned, a third-generation approach emphasizes the state, political factors, and the extension of regulation theory to the "urban" sphere (Kipfer & Keil, 2002). It also acknowledges that the practice and relations of regulation operate both locally and regionally and play a critical role in the re-regulation of global capitalism.

I view the TOCore planning process as actively facilitating new regulatory strategies to accommodate, mediate, and normalize the contradictions of Global City formation. It is argued that the local state and projects like TOCore, do not just create land-use plans, they also act to stabilize the local *mode of social regulation* by establishing new norms and social practises that help keep Toronto's Global City project afloat.

TOCore was initiated in 2014, the height of the Rob Ford era at Toronto City Hall. Given the political circumstances at that time, the creators of TOCore were very strategic about how they represented and framed the plan to the public and to the politicians they serve. Although public servants are obligated to stay politically neutral, they do maintain a level of political astuteness. For instance, one TOCore team member

mentioned that: “Politics plays so much in what we do. Obviously, we do not play politics, but we are aware of them because planning is so political” (Interview 4, Personal Communications, March 17, 2020) and similarly, “I think that we were aware of discussions going on about Downtown versus the rest of the city” (Interview 4, Personal Communications, March 17, 2020).

However, there is evidence to suggest that this political awareness helped to inform TOCore’s strategic communications used throughout the planning process. Two quotes from different members of the TOCore team give valuable insight into this process:

> “I think we had always thought about how do we position the downtown to be important to the entire city. Because we did not want to produce a plan where it looked like downtown is so special and downtown should get a whole bunch of things that the rest of the city does not get…I think we were very strategic, and we were very thoughtful about how we presented it [referring to the TOCore initiative]. We had ads on bus shelters across the city, for example, that said, ‘get involved’ ‘it is your downtown as well’ ‘one-third of the jobs are downtown’. All of that stuff was trying to position downtown within the context of the city rather than a little rich island that needs special attention” (Interview 2, Personal Communications, March 3, 2020).

> “I think it [TOCore] is framed in that way because we were trying to get people to take it seriously. We did talk about that [referring to how TOCore was framed to the public], but mostly with a move to try and counter this suburb versus Downtown mentality. That was really prevalent when the project started when Rob Ford was still in power then. He really drove politics on this wedge issue, which is you have the downtown elite versus the real people in the inner suburbs. We were trying to push this message of downtown is everybody’s problem, and that is why you see a lot of that messaging in there” (Interview 4, Personal Communications, March 17, 2020).

Both quotes exhibit an attentiveness to the downtown vs suburbs mentality that has dominated Toronto politics. There are also noticeable steps taken by the TOCore team to counteract this downtown vs suburban political imaginary by creating messaging and communications meant to reframe and reconfigure our relationship with Downtown Toronto. This process takes place outside of any formal policy making or legislative channels but through other less formal channels. An example of this is the

151 advertisements placed in bus shelters across the City (City of Toronto, 2017a), or through meetings with residents and public officials.

It is argued that this situation is compatible with the regulation approach as it represents an attempt to establish new social relationships with downtown – a new territorial relation. As highlighted by Kipfer and Keil (2002), the use and configuration of space and territory are at the heart of the regulation approach and that the "struggles over the use and the structure of a certain territory constitute in each case a specific social relationship: the territorial relation" (p. 247).

The fact that the TOCore Downtown Secondary plan passed through Toronto City Council with little opposition is an encouraging result. However, it is impossible to tell whether TOCore's regulatory strategy had any influence on the decision making of City Councillors, especially those representing suburban wards. When asked if there was any conflict with city councillors over the TOCore initiative, one planner mentioned that: "Not really. I get that we did not line up significant capital dollars for the downtown [referring to Downtown plan] then why would they care what the land use planning is?...No, generally there was not a lot, but I think mostly because the dollar figures were not evident" (Interview 4, Personal Communications, March 17, 2020).

The real challenge will be how councillors react to funding large infrastructure projects in the downtown, where significant capital dollars are required. Toronto's proposed Rail Deck Park is the perfect example of a large downtown infrastructure project that is critical for the continued growth of Toronto's Global City Project. The TOCore Secondary Plan makes the explicit case for Rail Deck Park (See TOCore vision statement, and Shoreline Stitch policy 7.29.4). This new linear park estimated to cost more than a billion dollars would be built over the city's Downtown rail corridor and provide green space for a growing downtown population. This project also represents an ambitious city-building initiative and is sure to support Toronto's Global City aspirations. When asked about how councillors could react to funding rail deck park, a planner said that:

> "Yeah, the inner suburbs councillors are not getting very much money for parks, and there is little development. In their mind they need money for parks, that is

> their job. When they hear downtown, which is getting all the economic growth could get $1 billion for a park, I mean I think it was the right move, but I could also see their political standpoint how they would use that as a talking point" (Interview 4, Personal Communications, March 17, 2020).

As this debate is happening in real-time, it remains to be seen whether the regulatory strategy advanced by the TOCore initiative will pay dividends and exhibit the durability necessary to mature into a stable local MSR or have no impact at all. Ultimately, the current debate over Rail Deck Park will yield important insights about the city's relationship with downtown and Global City growth. If this regulatory strategy works appropriately, and the territorial relation with downtown holds, the discourse surrounding Rail Deck Park will indicate that this investment is not only good for the Downtown Core but will benefit the entire City and population. If not, Rail Deck Park would be thought of as just another example of Downtown syphoning off a limited pool of capital for parks at the expense of the surrounding suburban areas.

### *Conclusion*

Global City formation with its inherent tendency to exacerbate socioeconomic and spatial polarization across all spatial scales, has maintained its privileged position in Toronto's strategic planning policies (TOCore) despite all of its contradictions. How exactly does this project sustain itself? The regulation approach provides a theoretical framework to help understand and answer this question. In regulationist terms, capitalist development can only stabilize in the medium term if the Regime of Accumulation and Mode of Social Regulation (MSR) are in harmony. I view the TOCore planning process as actively regulating Global City formation by establishing new social norms and conventions to help secure its reproduction.

TOCore was initiated during the peak of the Rob Ford era in 2014. During the planning process, Local actors who worked on the Downtown Secondary Plan made a conscious effort to "position downtown within the context of the city rather than a little rich island that needs special attention" (Interview 2, Personal Communications, March 3, 2020) and try and counter the downtown vs suburbs rhetoric at the centre of Toronto politics. The TOCore planning process represents an attempt to further establish the

territorial relation and regulate/manage the contradictions of Global City formation and uneven development in Toronto. It becomes clear that (re)producing Global City formation in Toronto relies on a favourable social relationship with Downtown.

# Chapter Eight: Conclusions

## Overview of Research

The idea of a “World City” has a long history in the urban studies literature. Before the early 1980s, World Cities were interpreted as an outgrowth of their host state's geopolitical power. During this time, it was assumed that cities were enclosed with national territories and national central place hierarchies, while the national economy was viewed as the basis for spatial polarization (Brenner & Keil, 2006). This national (‘methodologically nationalist’) vision of the urban process came under immense scrutiny in the late 1960s and early 1970s, with the rise of world-system theory and Neomarxian approaches to urban theory. This new emphasis on the global parameters and capitalist characteristics of the urbanization process served as the analytical foundation for a reimagining of the “World City” (Brenner & Keil, 2014).

In 1982, John Friedmann and Goetz Wolff published *World City Formation: an Agenda for Research and Action*, which marked the unofficial start to a fruitful period of research. Numerous scholars have contributed to this literature, but the most influential and foundational works were authored by John Friedmann and Saskia Sassen. Specifically, Friedmann’s *World City Hypothesis* refers to the spatial organization of the new international division of labour. Key cities (found specifically in Core and Semi-peripheral countries) are used as “basing points” for global capital, while much of the growth of World Cities is found in a small number of expanding sectors such as finance, consulting, advertising, accounting, insurance, and law. In 1991, Saskia Sassen published the first edition of her book *The Global City: New York, London, Tokyo.* She argued that the geography of globalization has contributed towards the spatial dispersal of economic activities across the world but has also contributed to a demand for centralization of top-level management and control operations and a new, strategic role for major “Global Cities”. Sassen views Global Cities as a post-industrial production site housed in specific cities across the world. The “things” a Global City produces are

specialized services and financial products, also known as intangible assets (Sassen, 2001).

Both Friedmann and Sassen address the impact of World/Global City growth on the economic and spatial order within these cities. As a space of production, the Global City generates extreme needs which include state of the art infrastructure and a sharp rise in the demand for high-level educated talent and masses of low-wage workers (Friedmann, 1986; Sassen, 2016). This highly polarized labour force structured on the one hand by highly educated workers in corporate sectors see their incomes rise, while on the other hand, a large mass of workers, often held by immigrants and racialized minorities, employed in low paying, menial, and often informal jobs, see their incomes stagnate or fall. Both authors argue that the widening income gaps and large-scale immigration into Global Cities will lead to an increase in income, class, and spatial polarization, which often brings about additional social and political costs (Friedman, 1986; Sassen, 2001).

### *Connecting the global and the local, competitive city planning*

In the early Global City literature, many scholars believed that Global Cities were the products of abstract global forces, which penetrate localities in a top-down manner. In this conceptualization, the local scale and local actions are given little theoretical weight (Beauregard, 1995). However, I align myself with the view that Global City formation is not solely influenced by global forces but are the products of glocalization processes (Kipfer & Keil, 2002). Glocalization has come to suggest the interaction between the global and the local to produce different kinds of political, social, and economic relations (Joseph, 2006). Ultimately, Global City formation should be viewed as an amalgamation of global *and* local forces (Roudometof, 2016).

Given this new theoretical appreciation for the local, in Global City formation, I introduce the notion of the Competitive City, a locally embedded strategy, which represents a new modality of regulating and managing the process of Global City formation (Kipfer & Keil, 2002). The Competitive City is tied to this idea of intercity competition whereby cities around the globe compete with each other for investment and an increasingly mobile talent pool through the use of local strategies and policies.

### *Empirical evidence for Global City Formation in Toronto*

The more globalized an economy becomes, the larger the agglomeration of central functions. Sassen (2001) argues that the high density and agglomeration of the producer service sector in the business districts (downtown cores) of major cities across the world is a spatial expression of Global City formation. Using the City of Toronto's Employment Survey data from 2011 to 2019, I found evidence to support a clear pattern of agglomeration of specific advanced producer service firms in the Downtown Core. This evidence indicates that Toronto's Global City function is alive and growing.

According to both Friedmann and Sassen, World/Global City formation and the ascendance of the producer service led urban economy, does come with its share of impacts. Both authors argue that this will lead to an increase in the amount of occupation, income and ultimately spatial polarization in cities. Using mapping and occupational data from scholar David Hulchanski and Statistics Canada, It was determined that there was a noticeable increase in socioeconomic and spatial polarization since the 1970s. Much of the city's lower-skilled workers, blue-collar workers, visible minorities, and immigrant populations live in the inner suburbs, while Toronto's wealthiest are more likely to work in highly skilled professional occupations and live alongside rapid transit lines, and closest to the downtown core. (*Figure 11*; City of Toronto, 2018b; City of Toronto, 2018c; City of Toronto, 2018d; City of Toronto, 2018e) Both the centralization of a variety of producer services in the downtown core and socioeconomic and spatial patterns across the city indicate that Toronto is exhibiting the trademark signs of global city formation.

### *TOCore's role in Global City formation*

Becoming a Global or World City is an ongoing project that must continuously ensure its future growth. The TOCore Downtown Secondary Plan is a useful case study for analyzing how local planning policy contributes to and shapes Global City formation. After decades of growth and development in Downtown Toronto, an updated planning framework was required to ensure that Downtown remains liveable and economically competitive. In the context of TOCore, I analyzed how:

1. Global City formation is (re)produced via the creation of strategic planning policies and land use

2. Global City formation is regulated/normalized through the planning process via establishing norms, conventions, patterns of conduct, to help structure and enable Global City growth to occur in a relatively stable way despite its contradictions.

***Land Use and Economics***

During consultations for TOCore, local actors who worked on the project began hearing that residential developers were outbidding commercial developers for critical pieces of downtown land. From a land economics perspective, residential developers could pay more for land upfront because condos were producing higher returns on investment in the shorter term compared to commercial development. However, this had the effect of severely limiting the potential for commercial and office growth. What resulted was a suite of policies which intended to level the playing field between residential and commercial development. This included the expansion of the *Financial District*, the establishment of a new *Health Sciences District* and *Bloor-Bay Office Corridor*, and further refinement to the *King-Spadina* and *King-Parliament Areas* to ensure that existing non-residential space such as office is protected and that there are opportunities to increase the amount of non-residential space in the future. A further increase in the amount of office space in the downtown core will arguably support the growth and further centralization of the advanced producer service sector and could very well enhance Global City formation in Toronto.

However, Global City formation is not reducible to just the employment side. Residential Toronto has increasingly become more polarized on socioeconomic and racial grounds, a hallmark of Global City formation. Generally speaking, Toronto's more affluent are more likely to work in highly skilled professional occupations and tend to reside closer to downtown as well as near rapid transit infrastructure. On the other hand, Toronto's less affluent are more likely to work in lower-skilled service jobs and blue-collar jobs and generally reside further away from the downtown core (*Figure 8; Figure 10*; City of Toronto, 2018b; City of Toronto, 2018c; City of Toronto, 2018d; City of

Toronto, 2018e). There is a deep relationship between the employment and residential make up in Toronto, but land use planning and policy play a pivotal role in shaping the city's socioeconomic and spatial landscape.

### *Territorial Relations*

Furthermore, to appreciate how the TOCore planning process plays a role in regulating Global City formation, it is crucial to understand Regulation Theory. Regulation Theory and the concept of *regulation* entered the anglophone world in the late 1970s and early 1980s through the work of the Parisian regulation school. However, the meaning of the word *regulation* is often misunderstood. In this case, the regulation approach is not concerned with rules, laws or formal regulations; instead, it focuses on the "socially embedded, socially regularized nature of capitalist economies and regards market forces as only one (albeit critically important) factor in capitalist expansion. For institutions, collective identities, shared visions, common rules, norms, and conventions, networks, procedures, and modes of calculation also have key roles in structuring, facilitating, and guiding (in short, 'regulating' or, better, 'regularizing') accumulation" (Jessop, 2008, p.331). Regulation scholars have developed a wide array of concepts to study these institutions and practises, most notably the *accumulation regime*: a pattern of production and consumption that is reproducible over the medium term, *mode of regulation*: a variety of rules, norms, conventions that help to stabilize an accumulation regime, and a *model of development* results when an accumulation regime and mode of regulation complement each other (Danielzyk & Ossenbrugge, 2001).

During the planning process, the TOCore team was consciously aware of the divisive downtown vs suburban debate which Rob Ford (among others) helped to fuel. From the perspective of Rob Ford and his followers, Downtown is considered a "little rich island" where the elites of the city live (Silver et al., 2020) While on the other hand, the TOCore team took very strategic and deliberate steps to position the downtown "to be important to the entire city" (Interview 2, Personal Communication, March 3, 2020) and as an accessible place for everybody to use and enjoy. As an example, up to 151

advertisements in bus shelters across the City were purchased to put forward this message.

This situation indicates that the Downtown Core is a socially and politically contested terrain where there is a legitimate struggle over its use and configuration. According to Christian Schmid, this constitutes a struggle over the territorial relation (Schmid, 1996) and goes directly to the heart of the regulation approach (Kipfer & Keil, 2002). TOCore and its planning process can viewed as an attempt to reconfigure the local MSR by establishing new social relations with downtown and the rest of the city to enable Global City growth to occur in a relatively stable way. This is also an example of how local planning initiatives could very well play a role, albeit a small role, in the scalar potpourri of the regulation of global capitalism (Kipfer & Keil, 2002).

## Planning Practise and the Role of the Planner

Both Global City formation and Regulation Theory raises questions about the content and practise of planning. This attention to planning practice has been around since the beginning of the World/Global City research paradigm but has not translated well into practise. Scholar Joshua Leon argues that the idea of the Global City has gone through a gradual corporate acquisition since its inception. “What began as a theoretical construct of the scholarly left has been commoditized by an emergent discourse seeking to present the neoliberal city as unchallengeable” (Leon, 2017, p. 6). The evolution of Global City studies has led to the proliferation of non-scholarly indexes and Global City rankings by corporate interests, which has little resemblance to the original theory. In fact, planning practitioners could very well be more familiar with the various Global City rankings than the critical works of John Friedmann or Saskia Sassen.

With regards to the work of John Friedmann, his article *World City Formation: an Agenda for Research and Action* coauthored with Goetz Wolff, began to question what a World City perspective could contribute to planning interventions? They mention that “by focusing on the world city, we are led to ask new questions about urbanization and

to formulate new theoretical understandings. At the same time, the perspective provides us with a new basis for intervention by the state and guides planners' attention to some of the fundamental causes of economic, social and spatial dislocation in the world city" (Friedmann & Wolff, 1982, p. 328). They even specifically add that "the world city perspective permits planners to deal more realistically with urban contradictions. It provides them with a heuristic that leads them to identify the major structural causes of specific problems" (Friedmann & Wolff, 1982, p. 330), and "territorial planners must grasp the essential nature of these conflicts and the contradictions which underlie them. It is here that they must make their interventions" (Friedmann & Wolff, 1982, p. 327).

Furthermore, as the circulation of capital becomes more global, and the responsibility for attracting this capital is increasingly more localized, it is the local state, its institutions such as planning, and local actors in positions of power, which play a crucial part in organizing this complex form of global capitalism. Concerning regulation theory, it is argued that rather than merely creating particular land-use plans, planners and the planning process also play a role in mediating local social and economic relations (McDermott, 1998). Ultimately, the role of the "planner" can be interpreted as that of "urban regulator" since the institutions of planning practice form part of the regulatory structures of capitalist societies (Low, 1996).

On a concluding note, one could argue that pursuing Global City growth does have its economic benefits, but as I have tried to make clear throughout this research, it has serious costs that the planning profession *must* understand and address. Global City formation in Toronto leads to an increase in the degree of socio-economic, cultural, and spatial polarization on the metropolitan scale. The "benefits" accrued from pursuing Global City growth are unevenly realized. Those working in highly skilled, professional occupations stand to gain the most, while low-skilled service workers, blue-collar workers, marginalized people, and the communities in which they reside, receive the smallest gains if any at all. Given this fact, I believe the planning profession must leave this fixation with Global Cities and urban competitiveness behind. It reflects but a limited understanding of how cities can and ought to function. The planning profession should adopt new theoretical perspectives that recognize city planning as a force for greater

equity and justice – which may very well involve a total rethinking of our practice. However, it needs to be acknowledged that Global City formation deals with wider dynamics of development and change including but not limited to their scalar composition, political economy, (civil) society, and ecology, that far exceeds the scope of local land-use planning. Any proposal to transform the practice of planning needs to be embedded in a much broader conception of change and transformation that touches all actors and institutions.

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# Appendix

## Appendix I: Large Review of Regulation Theory

Martin Jones (1997) attempts to periodize regulation theory into three generations. It is important to note that Jones's classification centers the theory on the UK and British debate, while generally ignoring the German-Swiss contributions, and regulating Aglietta and the French regulationists debate to the past under *first-generation* regulation theory. One must be weary of this slanted classification system which differs from other scholarly works like Bob Jessop's (1997c) review.

Nonetheless, *first-generation* regulation theory concerns itself with national accumulation, wage relations, labour process, and competition. He examines the US economy from the civil war until the 1970s, further categorizing this timeframe into five distinct periods of capitalist expansion, which include the Fordist period from 1945-1966 and the post-Fordist period from 1966 to the present day. For Aglietta, a series of different *regimes of accumulation* (complementary pattern of production and consumption which is reproducible over a long period) and *modes of regulation* (an emergent ensemble of rules, norms, conventions, patterns of conduct, social networks, organizational forms and institutions which can stabilize an accumulation regime) (Danielzyk & Ossenbrugge, 2001, p. 12974) have defined each period.

*Second-generation* regulation theory concerns itself with international regulation. Two different approaches were taken: One approach attempts to contemplate the relationship between the nation-state and the global economy, where the global economy is treated as the sum of different national modes of regulation. While other scholars begin to examine the distinct modes of international regulation, they argued that the international economy has distinct properties, problems, and modes of regulation (Jones, 1997; Jessop, 1997c).

*Third-generation* regulation theory emphasizes the changing form of the State as well as the theories relations to scale, space, and time. In this period, the typical

macroeconomic perspective is left behind, and the theory increasingly moves into the realms of political science, geography, and sociology (Danielzyk and Ossenbrugge, 2001; Jones, 1997). In this generation, regulation theory is criticized for operating mainly at the national scale. Scholars from the British school of regulation theory began to develop an approach to the theory that emphasizes the significance of space and scale. The British school rejected the notion that the mechanisms of regulation operate at the national level and are somehow translated locally (Goodwin et al., 1993). Goodwin et al. (1993) believe that the practices of regulation also operate locally. The British school contends that local spaces of regulation, or what Peck and Tickell (1992) refer to as *local modes of social regulation,* arise "because society is unevenly developed, and has to be planned and managed locally as well as nationally" (Goodwin et al., 1993, p.72).

An example of Regulation Theory's application to the subnational scale comes from Jamie Peck and Adam Tickell (1992). They propose a framework for analyzing social regulation at the subnational (or regional and local) scale and apply this framework to investigate Britain's uneven development under Thatcherism. In their view, Thatcherism represented the establishment of social and political forms conducive to flexible accumulation and a new post-Fordist mode of social regulation. The regime was associated with a particular, regional form of uneven development characterized by a growing social and economic divide between a prosperous South of Britain and a depressed North of Britain. They believe that the Thatcherist experiment failed as a result of an ineffective regional system of social regulation, because "an appropriate mechanism for the regulation of growth had not been set in place" (Peck & Tickell, 1992, p. 357).

Focusing on the question of the social regulation at the local scale, Peck and Tickell (1995) question the extent to which local modes of social regulation are anchored locally. Local MSRs "should not be seen as the domain of exclusively local regulatory practices but as regulatory systems distinctive more for their unique position within wider (national and international) structures of accumulation and regulation" (p. 27). This aligns directly with scholar Margit Mayer who argues that the local and the

regional scale (and I would add, the accompanying local/regional modes of social regulation) plays a crucial role in the scalar mix of the regulation of global capitalism (Mayer, 1994; Mayer, 1995; Kipfer & Keil, 2002).

Concerning the role of the state, Bob Jessop (1990) argues that a theory of the state in Regulation Theory is relatively absent. Early periods of regulation theory were criticized for focusing too heavily on the reproduction of capitalist relations as the primary objective of the state (Purcell, 2002). Mark Purcell (2002) believes that economic imperatives are disproportionately analyzed in the literature, while political concerns are not. This methodological focus on capitalism and accumulation provides an incomplete and limited analysis of the state. What emerges from this is an "inadvertent depiction of state restructuring as following from the shifts in the world economy. The result is a latent, though pervasive, impression that state restructuring occurs as a response to the imperatives created by economic restructuring" (Purcell, 2002, p. 299).

Purcell (2002) argues that attention should be given to how the state concerns itself with state-citizen relations in order to address the methodological limitations within the regulation literature. In order for the state and its sovereignty to endure and continue its role in regulation, the state must remain politically legitimate in the eyes of its citizens. In order to obtain legitimacy, citizen consent is needed. Consent is gained when the citizenry *perceives* (whether or not it is true) that the state is pursuing their best interests. In making policy or pursuing structural changes, the state must balance the expectations it shares with its citizens to prevent damaging its legitimacy. To illustrate how more focus on state-citizen relations can improve our analyses of the role the state plays in regulation, Purcell (2002) provides an example of a well known regulationist analyses of the state: the shift in policy from a welfare state to workfare (entrepreneurial) state.

Past regulationists analysis suggests that the state will move (uni-directionally) from welfare-oriented policies to entrepreneurial-oriented policies in order to meet the new, global economic imperatives. However, when a state-citizen relational approach is added, this analysis yields "a complex and geographically uneven combination of both:

an ongoing oscillation between continually evolving versions of welfare and workfare states – all the while struggling to avoid a crisis of state legitimacy – until the state/citizen relationship is restructured so that either welfare or workfare is no longer a fundamental expectation citizens have of the state" (Purcell, 2002, p. 315). This analysis of the state now becomes a much more nuanced and politically contingent process than past regulationist accounts suggest.

Third-generation regulationists such as Alain Noel (1987) and Jane Jenson (1990) argue that the regulation theory requires a theory of the role of politics and political action. Jenson (1990) questions how politics and political struggle contribute to the reproduction of social relations and the stability of the whole system? For her, politics is a process of representation. Representation implies "the social construction of collective identities, via the mobilization of 'interests'" (p.73). During times of crises, conflicts amongst contending identities will be very likely. In these moments, new collective actors (i.e. politicians) emerge and "successfully constitute collective identities which can then become part of a new socially constructed compromise to become the next *paradigm*" (p.76). She defines a *paradigm* as a "set of interconnected premises which make sense of or give meaning to many social relations. Every paradigm contains a view of human nature, a definition of basic and proper forms of social relations among equals and among those in relationships of hierarchy, a specification of the relations among social institutions as well as a stipulation of the role of such institutions" (Jenson, 1990, p. 74) and a result of a social compromise. Ultimately, the politics of collective identity formation is part of the process of regulation. Contradictions and conflicts inherent to the system will be stalled when a new paradigm forms; Paradigms can "order relations of difference via a set of institutionalized relations which give shape to the routines and habits of individuals" (Jenson, 1990, p.76).

The recent political and state-centric turn in the regulation literature draws heavily on the work of Antonio Gramsci. According to Darel Paul, the Gramscian turn in the regulation approach has "shifted focus away from processes of capital accumulation and toward the social relations of production underlying them" (Paul, 2002, p. 470). However, Jessop (1997a) believes that the regulation approach has significant

complementarities to Gramsci's work on the State. For example, where Gramsci examined the "social embeddedness and social regularization of state power, the regulation approach examines the social embeddedness and social regularization of accumulation" (p.23) This complementarity can be developed further by considering two insights: First, Gramsci's notion of a *historical bloc,* second is Gramsci's account of the *decisive economic nucleus* necessary for hegemonic projects to be successful in the long run. Both have important implications for the regulation approach. To encourage complementarity, Jessop interprets Gramsci's claims in regulationists terms suggesting that "an historical bloc could be understood as the complex, contradictory and discordant unity of an accumulation regime (or mode of growth) and its mode of economic regulation" (p.6). He does the same for hegemonic projects and their *decisive economic nucleus*, suggesting that "the essential function of a hegemonic project is to secure the (integral) economic base of the dominant mode of growth; and that it does this through the direct, active conforming of all social relations to the economic (and extra-economic) needs of the latter" (p.8). Although some links can be made between the two approaches, Jessop (1997a) notes that both approaches are only at the early stage of complimentary and cannot be combined further without more detailed theoretical work.

# Appendix II: Interview Questions

**Global City Formation**

- Did Toronto's assumed status as a global hub of finance, commerce, innovation impact the overall creation of this plan?
- Was there belief that the creation of a vibrant Downtown will help position Toronto as a leading and globally competitive creative capital? Did this impact the overall creation of this plan?
- Did supporting Toronto's global brand and image impact the overall creation of this plan?
- Did enhancing Toronto's and Canada's connection to the global economy impact the creation of this plan?

- ***opens pg 5 of TO core Plan, reads passage: “Toronto’s Downtown connects Canada to the global economy. Its financial, business services and creative industries, while integrated with global city networks, are economic sectors that rely on spatial clustering and the opportunities for face-to-face contact that Downtown afford” → What was the thinking behind this?
- Does TOCore lead to the expansion of the financial district? Do TOCore’s policies lead to the expansion of office space in the core?
- Do you think the TOCore secondary plan actively supports the growth of finance, law, accounting, consulting industries?
- Is there a connection between Toronto’s affordability crisis and the growth of these industries?
- Is there a connection between Toronto’s economic polarization (show Hulchanksi maps) and the growth of headquarter firms and specialized industries (industries referring to finance, law, accounting, consulting, insurance)?
- Would you say your work on TOCore will have contradictory outcomes in terms of growing inequality and unaffordability?

**Regulation Theory**

- Reads quote on pg 6. “To ensure a prosperous economic future for Toronto, promoting both residential and job growth must continue to be a priority” Can you articulate your vision for job growth in the downtown core? Which jobs should be present and in which sectors?
- Can you articulate your vision for residential growth in the Downtown Core? which residents, why?
- From an economic development perspective, did TOCore look to evaluate any alternative possibilities for the downtown core i.e different industries, different workers, different jobs?
- In the planning phase, did TOCore produce conflict amongst the public? What was the most contentious issue?
- How did you/ your team deal with any tension/resistance to TOCore?
- Did the public agree that the growth of the financial district would benefit everybody in Toronto? Or was this contested?
- Why do you think there was/wasn’t (depends on answer) broad support for the expansion of the financial, business sector?
- One of the themes of TOCore is an emphasis on livability. First of all, why did this theme appear in TOCore?

- How was the idea of livability received by the public?
- Did the livability goals that TOCore strives for, help to settle any tension/opposition that arose from the project?