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Rx for an Ailing Regional Economy: Thoughts on the
Economic Future of the Vancouver Region
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R for an Ailing Regional Economy:
Thoughts on the Economic Future of the Vancouver Region

By

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A Discussion Paper on Vancouver’s Economic Future
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I. Opening Observations

If ever a locale was blessed with the right stuff for the right time in the right place it has to be Vancouver, its region and British Columbia generally. In the natural resource and international manufacturing economy focussed on Europe and North America and subsequently Asia, we had all the right ingredients for success: a deep safe port and low shipping costs; transcontinental rail termini; accessible, abundant and high quality fish, trees, and minerals; in-migration of people and of needed skilled labour; European immigrants linking us to Europe; access to capital from the UK, US and the VSE; cheap land; room to grow; and much much more. This bounty provided us with a booming (and busting) economy and sustained growth for over a century from the 1860s through the 1980s, allowing us to prosper and become a global player, especially Vancouver, Western Canada’s primary city.

However, all good things come to an end, as we well know. The 1990s were a watershed, where the Vancouver region’s growth slowed, and the provincial economy went into reverse. The global economy had become more integrated, particularly financial markets which were no longer national but truly global. Economic rents (above normal profits) were no longer earned from having high quality and readily accessed natural resources, but accrued to those with better ideas, know-how, technology and innovative products and services. The knowledge economy had arrived, where human resources and the ideas, knowledge and creativity imbedded in people’s minds were the sources of prosperity and wealth. Vancouver and BC’s people, what they knew, what they could learn, and what knowledge they could create and successfully apply, were the resources that the 1990s taught us reality matter. Not that our remaining natural resources, especially our forests and our minerals, are irrelevant: they are just not the keys to the future, but are rather important continuing elements in a diversified and solid economic base. The future (especially for earning rents on our natural resources) lies with people, their knowledge, their ideas, their creativity and their ability to separate from the production focus of our natural resource past to the customer focus demanded in the global economy of this millennium.

So the over-used “knowledge” or “innovation” economy is where the action is for the future. Here again, Vancouver, its region and indeed British Columbia are blessed with a stunning array of the ingredients for every bit as much success in the human-resource economy as in the natural resource economy.

Specifically, in a knowledge-based innovation dependent world that is global but increasingly Asia Pacific focussed, our assets are formidable, including:

- Being located on the great circle route to Asia from Mexico, the US West Coast and Denver for air travel, and from US west coast ports for ships;
- Strong universities, colleges and institutes to create new knowledge, transfer technology, and educate and train lifelong learners;
- Abundant language and cultural skills from Europe, Asia and Latin America;
- Equidistant from Europe and Asia allowing us to be a true European, Asian and Americas (EurAmAsia) business hub, not just a gateway;
II. Background, Need and Mandate
The Business Council of British Columbia, the Vancouver Board of Trade, and numerous others have documented the economic performance of the province during the “negative nineties” in great detail. Productivity, per capita disposable income, and private investment all fell during the decade. Net inter-provincial migration plummeted from +40,000+ per year (1989-94) to −20,000 in 1998, staying negative for over four years, just turning positive now. International immigration dropped from +40,000+ (1993-97) to some 30,000 in the past four years. Total net in-migration peaked at just over 80,000 in 1994 (remaining at over 60,000 from 1990-96) and then fell to 10,000 in 1998 a stabilizing at 20,000 in the past few years.

The litany of losses in the negative nineties is lengthy. Among its most notable are:

a. BC ranked last among all provinces in real 1992-2000 GDP per person growth at 5.7%, roughly one-fourth of the Canadian average of 21.7%.
b. BC ranked last among the provinces in the 1992-99 change in real private fixed investment at 19%, well behind the Canadian average of 48%, Nova Scotia’s 105%, Manitoba’s 71% and PEI’s 59%.
c. BC ranked last among the provinces in the 1992-2000 change in aggregate productivity at 2.8%, roughly one-fifth of the Canadian average of 12.9%, and behind Saskatchewan’s 20.2%, Newfoundland’s 17.5% and Manitoba’s 9.9%.
d. BC ranked last among the provinces in 1992-99 real international export growth at 47%, lagging the Canadian average of 89%, and Newfoundland’s top 127%.
e. BC ranked last among the provinces in the 1992-2000 change in disposable income per capita at 12.7%, compared with the Canadian average of 19.6%, Newfoundland’s 23.4%, Saskatchewan’s 25.9% and Manitoba’s 19.7%.
f. BC ranked last among the provinces in the 1992-99 change in real disposable income per person (in 1992 dollars), declining 8.6% over the 8 years versus Canada’s average decline of just 0.6% and Quebec’s 2.8% growth.
g. BC ranked ninth among all provinces in the 1992-99 change in real private non-residential investment at 56%, behind the 70% Canadian average, Nova Scotia’s 158%, and New Brunswick’s 96%.
h. BC did rank 2nd though in employment growth from 1992 to 2000 when it also led the country in population growth which explains the poor showing in the per capita figures just cited.

The foregoing sets out the various dimensions of our fall from a have to a have-not province. Combined with declining in-migration over the decade of the nineties, it paints a picture of a province clearly on the wane and in need of a thorough rethinking of its economic environment, its strengths and weaknesses, and the strategies required to reverse these awful economic results.

In a world of discontinuous, volatile and rapid change, a world where profits derive from human resources and the creation and use of new and existing knowledge, clinging to the past and hoping for its return is a recipe for disaster. Success accrues to those embracing innovation, knowledge and continuous learning. Accordingly, we turn to explore the possibilities facing the Vancouver region (and BC too) were we to let go of our past glory and set out along on new paths that are already being trod.

III. The Likely Vancouver Regional Economy circa 2013: Putting The Previous Pieces in a Broad Systemic Context

Vancouver is clearly not lacking in choices. However, no region can do everything, so we need to choose which of the possibilities are the most likely and most desired. The following are my bets for the most successful sectors for the next two decades.

a. Transport, Trade, Regional HQ and Business Hub

Vancouver’s strategic location is clearly one of the keys to our future success. We have the capacity to become a multimodal transportation superhub gateway, linking Europe,
North America and the Asia Pacific (which I have dubbed a EurAmAsia SuperHub) and would hope we might trademark as part of our diverse branding efforts: EurAmAsia SuperHub®. This super hub gateway can also attract regional headquarters of multinational firms wanting to bridge both the Atlantic and Pacific. As discussed shortly in the strategy and policy sections below, we need help from the federal and provincial governments and from the business community to make this super hub gateway and business centre a reality.

b. Marine industries and support services
Marine industries such as ship repair and construction, servicing, and of course port and related support services, have been taken for granted for too long. On the terminal side we have shown that we can be extremely competitive as with DeltaPort and innovations in other bulk and container facilities, while the auto sector runs very efficiently on the Fraser River. The ship building and repair sector I suggest could be enormously more robust if it stopped waiting for subsidies and just got down to building sound business cases, investment plans, training and education strategies with its employees. Our port should only become bigger and more important and it should present an enormous range of opportunities for growth in all of its sectors from construction, through to high tech navigation and vessel control systems in ports. This is definitely an area where new thinking and metaphors are needed to reap lurking future benefits. All players need to step back and ask broadly what could the marine sector become and then work together to make it a reality.

c. Tourism (conventions, skiing, golf, cruises, destination, wine, adventure, ecotourism, biking, hiking, camping and more)
By some accounts tourism as broadly defined is already British Columbia’s largest employer and certainly a Vancouver powerhouse. The boost provided by the new convention centre and neighbouring hotel, the 2010 Olympic Bid (even if it fails), the exceptional diversity of our tourist products, the new liquor laws, our multi-lingual and multi-cultural society, our highly effective Tourism Vancouver, and our reputation for excellent value and high quality products, all combine to make this a sector of enormous current and growing importance for the future. Cities with fewer assets than ours such as New Orleans and Honolulu have sustained enormous tourist and convention businesses as the core of their economies. With continued growth, investment and development of this sector it can be an enormous engine of growth for our future, not just for low paying jobs as often stated, but for highly skilled positions in management, as chefs, restauranteurs, meeting organizers, pilots, fish guides and beyond.

d. Education
Education has already become a key export sector. The range of educational products is impressive and includes: language schools and summer camps for primary and secondary school students; international full fee paying primary and secondary school students in a diversity of public school districts; international students at college, university colleges and universities; and executive education for international business people and public sector executives. Despite the highly competitive nature of this sector, British Columbia’s education sector has been able to compete and attract high
quality full fee paying students. Our ability to do so in the future is likely to be enhanced as we expand our relationships and perfect our international student services and marketing. Not only do international students pay a full cost recovery tuition fee, it is estimated that they spend and roughly twice as much on housing, food, tourism and clothing as they do on tuition.

e. Health
Vancouver is emerging as a biomedical research and health care powerhouse. Just as in Education, exporting health care provides the opportunity to greatly expand the scope of the sector, reap economies of scale, and help pay for and improve the health care system for Canadians while also improving our competitiveness through an increased ability to invest in people and technology. Such an approach is entirely consistent with the Canada Health Act and indeed may be one of the needed innovations to make it economically viable (Goldberg and Hollenberg (2002)).

f. Pertinent knowledge-base (KB) industries
A remarkable array of high technology sectors is present in Vancouver. More than 7000 technology-based firms span virtually all “new economy” sectors including: IT hardware and software, biotechnology, new media, alternative energy, deep-sea exploration, robotics, nanotechnology and aerospace to name a few. This diversity reflects the strength of post-secondary institutions and the greatest per capita propensity to launch technology start-ups in Canada. The diversity also facilitates continuous progress in technology industries as a whole as some sectors go out of favour (i.e., IT), while others move into favour (new media and alternative energy).

g. Food products
Vancouver region food product sectors are increasingly technology-based, quite diversified, and also high value added. Our food products sectors include: berries, hothouse vegetables, flowers, mushrooms, wines, smoked fish, baked goods, and chocolates. We are not in commodity foodstuffs such as grains and oils, and thus have been able to charge premium prices to create valued exports and jobs. With additions to our biotechnology and IT sectors the capacity to produce high value food products should continue as a small, but valued facet of the regional economy.

h. Active retirees
Retirees in the past have usually been considered as liabilities not assets for a region, because of their needs for social and health services. This view is badly flawed today in view of looming skills shortages and the health and human and financial capital that often typify today’s retiree. Far from being a drag on economic growth, retired people, working part or full time, can be an enormous asset. The Okanagan region is an example of an area benefiting from such a group who have brought with them professional skills and contacts and find that working part-time is a wonderful complement to semi-retirement and the Okanagan is well suited to continue to work given its airports, telecom, and growing educational infrastructure.
i. Producer services (law, accounting, business consulting, engineering, FIRE)
Producer services comprise an increasingly important element of regional economies. They typically begin by serving local businesses and then as the region grows, they develop a life of their own and become part of the economic base. Our engineering sector is a good example, as it initially served our local resource industries and then developed sufficient expertise and networks that it has become an important export sector in its own right. FIRE is similar, though much of its potential has been eroded by consolidation in the FIRE sectors and resulting control from Toronto by financial institution head offices. Investment management and venture capital have developed well here, as has commercial real estate as noted.

j. Film, Theatre, Television and the Performing and Visual Arts
The visual and performing arts are not just critical elements of our cultural life, but also increasingly important components of our economy. The enormous economic role of the film and TV areas is well known. Our growing theatre and live music venues are a great source of enjoyment for residents and visitors. The reopening of the Ford Theatre, the renewal of the Vancouver Art Gallery, the Vancouver Opera and the Vancouver Symphony Orchestra, the burgeoning Folk, Jazz and Vancouver Festivals, the expanding UBC Museum of Anthropology and Chan Centre, and many more, add up to suggest a bright future for our cultural sectors and for their adding significantly to our economic as well as cultural lives in the Vancouver region and BC more generally. The Great Northern Way Campus of BCIT, Emily Carr, SFU and UBC can help here greatly by adding yet another large and multi-faceted venue to those noted above.

k. International agencies, NGOs, and foundations
In 1988, the landmark federal-provincial cooperative venture, the Asia Pacific Initiative, recommended that Vancouver explore the possibility of attracting international organizations to the region. Fourteen years later, after hosting the Asian Development Bank, the Clinton-Yeltsin Summit, APEC and numerous international conventions and high-level meetings, Vancouver has demonstrated its capacity to serve the international community extremely well, and as a result, pursue vigorously the notion of attracting international agencies, NGOs and foundations. The Vancouver is extremely well suited as location for these organizations given the YVR Gateway, the SFU-Wosk Centre for Dialogue, the UBC Liu Centre for Global Issues, the International Commercial Arbitration Centre, the International Financial Centre and the International Maritime Centre, dozens of foreign consulates, an exceptionally diverse international population, and superb research and educational resources at the region’s post-secondary institutions. Canada’s excellent international reputation and treaty network further add to Vancouver’s attractions as a home for a variety of international organizations or their subsidiary units.

l. Final notes on the likely Vancouver regional economy circa 2013
Over the next decade the Vancouver regional economy will be very different from what it is today. These differences will be obvious and hailed by most, if not all, resident. The key defining feature of the regional economy will be its enormous diversity and the
realization that its transformation has been occurring across a diverse and large number of fronts simultaneously. There will not likely be dramatic single event that move the region’s economic structure to its 2013 state. Rather, all of the sectors and forces cited above and in Appendix 1 will likely work together and reinforce each other to create the needed economic change. For example, tourism will reinforce transportation and logistics and in turn be reinforced by it. Similarly, the Health and Education sectors support each other and in turn support and are supported by the broader set of knowledge-based industries set out in the Appendix, particularly those in bio and information technology.

Moreover, within each sector there will be great diversity. Thus, tourism will not just rely on Whistler and winter tourism, or on Whistler, golf and summer tourism. It will also include cruiseships, ecotourism, fishing, cultural tourism, and tourists destined for the wonders of beautiful cities like Vancouver and Victoria in their own right. The information technology sector is also highly diverse to its benefit and includes: hardware and software firms; wireless and fibre-based technologies, video games, new media, and film, music and theatre; and

IV. Regional Economic Strategies and Policies: Setting a Path to Realize Diverse Sustainable Economic Outcomes

a. Ingredients for regional economic success: Solid regional action
The Vancouver region is endowed with an enviable array of economic, social and environmental assets. The opportunities it can seize in the burgeoning global economy are vast. However, they must indeed be seized. This is much easier said than done. The region faces a significant set of barriers to seizing these opportunities, not the least of which is its past prosperity, which has led to passivity and to the marked decline of regional and provincial economic well being as seen.

Accordingly, to be successful in the future is to question the past and not accept it as a road map for the future. Below are set out a variety of pointers about how the Vancouver region needs to proceed to enjoy the prosperity that is within its reach.

i. A regional focus is essential
Diverse local interests and orthodoxies plague the Vancouver region. Yet to achieve future economic progress and prosperity requires a regional, not a local, view. Prospective residents, investors and organizations are interested broadly in the Vancouver region and then in finding within our boundaries specific locations for work, living, schooling, recreation and the like. The variety of living and work settings within the region is clearly one of our great assets. However, these must be seen in a regional context, the way potential residents and firms do. The intra-regional competition and jealousies that have come to typify economic development and promotion efforts cannot succeed and must be replaced by regional cooperation to address regional economic, social, political and environmental issues and policy development and implementation.

ii. A strategic approach is essential
However, taking a regional view is sufficient for competing effectively in the future. Any regional efforts must be highly strategic and thus focused. As such, they must honestly and carefully assess the region’s strengths and weaknesses and the current and impending opportunities and threats that it confronts. Strategy means choice: no region, no matter how wealthy and large, can do all things equally well. For the Vancouver region, this means identifying the full array of possible economic alternatives, analysing these in an open environment, and then setting choices and priorities for those alternatives that regional leaders, with public input, decide are those that can be achieved. Broad public input and process is essential to ensure that diverse alternatives have been considered and that the region’s residents feel included in the chosen strategy and are committed to its forceful implementation.

iii. Addressing economic dimensions of regional sustainability is essential
Building a sustainable region is a multifaceted task. Social and environmental sustainability are essential elements. So is economic sustainability. Without an adaptive and competitive regional economy sustaining our social and environmental systems is extremely difficult. Creating a regional economy that draws as little as possible on energy, air, water and ecological resources will not be easy. However, it is essential, and indeed if done well, can be a vital part of our competitiveness and in turn our economic viability. Social, economic and environmental sustainability are not mutually exclusive, and indeed cannot be, if we are to succeed. They are complementary and their complementarities need to be understood to form the foundation for a truly sustainable and competitive regional economy.

iv. Aligning interests of regional residents (shareholders) with regional governance bodies (regional board members) is essential
In order to act effectively and a strategically at a regional level, it is fundamental that regional governance challenges and imperatives be recognized and appreciated. Our present regional governance structures are inadequate to meet the needs of the future and will be detailed and discussed next.

The crux of the problem lies in the inherent conflict that is within each of us as we live out the sundry roles we play in our homes, communities and work. We are simultaneously members of the broad global community, while also being North Americans, Canadians, British Columbians, Vancouverites, West Enders and residents of our strata council perhaps. We understandably have quite different perspectives depending on which of our membership roles we are performing and supporting. The interests of all of these communities to which we belong often diverge and we are forced to take up the cause of one of our memberships at the expense of one or more of the others. If all the communities to which we belonged had consistent and completely overlapping goals, there would be few conflicts at the global, national, provincial, regional, municipal, or neighbourhood levels.

Societies seem to be increasingly cleaved by local interests at the expense of the wider community interest. At the extreme, former Yugoslavians, saw themselves not as Yugoslavians, but as Serbs, Croats, Bosnians, Macedonians, and Slovenians. In urban
regions, the increasing desire by neighbourhoods to exercise their independence at the expense of broader municipal interests, and of municipalities at the expense of broader regional interests, increasingly paralyses effective municipal or regional decision-making and known as NIMBY (not in my backyard) or NIMTE (not in my term of office). While satisfying at an increasingly micro level, the needs of our society at a bigger spatial scale have been short changed. This is dysfunctional and not sustainable socially, economically or environmentally.

Accordingly, regional, not municipal or neighbourhood, imperatives need to be met. This can only be done by creating regional governance structures that are comprised of people whose loyalty is to the region’s needs, not those of the micro local levels that have come to dominate policy and decision-making. To do this, regional institutions must be created with regional powers that can override local preferences for the greater regional good. People governing these institutions must be committed to exercising regional powers if necessary at the expense of local powers and opinions. In short, regional leaders must be developed who have a regional, not a local view, who grasp and gladly take on the responsibilities and powers of these regional institutions, and who are willing and able to exercise their regional responsibilities and not serve the localities where they live or work. This is the key to successful and effective regional institution building, governance and operations, and is lacking in the Vancouver region.

v. Identifying-fixing current regional policy and governance weaknesses

Our region currently suffers from an overall lack of vision and leadership. This manifests itself in the following pressing issues that currently confront us.

1. Lack of regional leadership and governance

The lack of strong visionary regional leadership is the largest deficit and need the region faces currently. At present there is essentially no leadership at the regional level at all, let alone leadership that is visionary and strong enough to move the region ahead boldly and quickly in the directions it must go as suggested above. The regional governance challenge facing us has already been alluded to under the banner of NIMBY and NIMTE (NIMBY = Not In My BackYard; NIMTE = Not In My TErm (of office)). NIMBY/NIMTE are “fallacies of composition” where the actions of local groups, governments or agencies can sum up to yield significant and negative system-wide consequences often the reverse of those desired by all, as shown next.

It may seem rational for a neighbourhood to oppose higher density near planned transit stations in its area. When combined with NIMBY demands from other areas, the huge increase in travel capacity and access provided by the transit investment is largely lost: fare paying users who could have located in the dense development do not exist. The unintended and counterproductive link here is between neighbourhood and local government decisions and larger urban and regional issues such as financing transit, reducing sprawl and air pollution, and creating a competitive compact urban form.

Fallacies of composition induced by local NIMBY actions can be overcome. To do so requires commitment from those involved. Provincial governments must become
involved. Sydney, Australia is one example, while UNICITY in Winnipeg is a Canadian example where 16 local governments were abolished 30 years ago to create a unified urban region. In 1998 metropolitan Toronto and Ottawa were each amalgamated to become single municipalities.

In Vancouver, the GVTA and the GVRD need to be recast as regional governments. They must have regional powers that do not rely locally appointed Board members and diluting long-overdue regional actions in critical areas like transportation, housing, environment and the economy to what local areas will accept.

2. Fear of change
The Vancouver region was extremely prosperous and successful during its first century despite, or really because of, its roller coaster resource economy. The region has been very slow to acknowledge the fundamental changes occurring in the global economy and has been very passive in creating or adopting innovations. Density is an example. No municipality in the region currently allows row houses (or its less dense variant zero lot housing) as a fee simple land use: all row houses are condominiums. Similarly the fight over adding Richmond express buses to Granville Street (already a busy major commuter route) was met with loud outcries about creating a Granville Highway that would threaten lives and the stability of the neighbourhood, despite the fact that the buses represented less than a one per cent change bus trips along Granville Street. Meanwhile the imposition by GVTA of a $75 fee on private vehicles was vehemently opposed by Surrey on the grounds that its automobile owners did not want to subsidize transit in Vancouver, despite its own evidence that Surrey was one of two municipalities in the 18 municipality GVTA region, that would be receiving more benefits in highways, transit and street improvements than it would be pay in total GVTA vehicle levies.

This kind of fear of change desperately requires regional leadership and vision to reduce fears of change and excite people about the possibilities it brings, not just real or imagined costs. Without more leadership and innovation in regional policy and more broadly in regional governance, the region will continue to resist change and either change as a result of overwhelming external pressures, or not change at all, either of which will lead to reduced living standards and quality of life in general.

3. Victim world view and resulting whining

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2 Sydney, Australia in the late 1980s is a case in point where potential NIMBY costs were unacceptable. Local areas in Sydney fought housing and office development with adverse affects on the supply and price of both during a rapid growth period. The New South Wales state government removed local councils, replacing elected officials with an appointed triumvirate. The state government argued that the Sydney economy was just too important to the state and the nation to be held hostage to parochial local interests. The state broke the fallacy of composition by backing broader state and national needs in the face of local interests (Simper (1987)).
British Columbia regularly wallows in victim mode claiming weak representation in Ottawa, being picked on by the US, or helplessly falling prey to the collateral damage of the Asian Crisis in 1997 and 1998. Former Premier Clark invoked victimization in dealing on fisheries with Ottawa, Anchorage, Olympic and Washington, DC. We routinely complain bitterly (and yes, whining) about not getting our share of federal support programs, often overlooking the fact that we did not apply, or that our applications were weak, uncoordinated and far from compelling. It will be virtually impossible to progress in the region unless and until we emerge from the comfort of being victims and start crafting positive well thought initiatives that have the strong voice of a united region (and you guessed it) exhibit strong leadership and professionalism.

4. Transportation: financing, NIMBY and land use integration issues
We ended with leadership above, and return to it again here. Putting TransLink and the GVRD in the competitive setting of today’s global economy suggests they must develop an effective transportation strategy. This requires financing it, overcoming local opponents and integrating tightly with land use.

Effective financing would require that the GVTA have taxing as well as borrowing power. It also means building a transit system that can rival private vehicles in terms of convenience, time and cost. Part of the problem noted by transit adherents, is that the full cost of auto use should include the external costs imposed by autos in the form of congestion and pollution. Pricing these external costs is a reasonable part of any GVTA strategy. But, it cannot rely solely on punishing auto users and must address the frequency, comfort, and cost of its service. In a competitive setting, transit can only “get people out of cars” if a potential customers perceive a viable competitive choice. Competitive strategy must rely on satisfying customer needs. This means knowing what customers want and competing with the choices available to them by building transit services that meet customer needs and rival what is offered by competing modes in terms of comfort, cost, convenience, location, frequency, and destinations served.

As for transit and road NIMBY/NIMTE, it takes a number of forms. The first relates to routing transportation improvements, as we see with the proposed Richmond-YVR LRT proposal, where virtually all neighbourhoods in Vancouver would support building such a line to ease traffic, improve air quality, and make the airport more accessible. The problem is each of the neighbourhoods through which it might go, support the concept but do not want it in their neighbourhood or backyard (i.e., Cambie Street, the Arbutus Rail Corridor, or possibly Granville Street). If each neighbourhood succeeds in fending off the line, then it cannot be built, a loss for all neighbourhoods and the entire region. Granville Highway noted earlier is another example.

A second NIMBY/NIMTE issue relates to land use changes that support costly transport investments. Neighbourhoods resist the higher densities that make transit financially viable. Thus, densities do not rise but transit subsidies do. Creating higher densities near major highway intersections is also not well received and once again raises the effective cost of these investments and sprawl and the need for more roads increases.
Creating a regional transportation agency and vesting it with supra-municipal powers is a means to overcome the fallacy of composition relating to transportation and related land use policy and planning. The GVTA could have been such an agency except for its flawed governance structure and the inadequate powers allocated to it. First, the GVTA is not really a regional agency, but rather the embodiment of NIMBY/NIMTE. The GVTA Board of Directors is appointed by the municipalities in the Vancouver region and represents their local and often parochial interests. Local interests and attitudes and not regional ones thus dominate the governance structure. To overcome this structural problem, GVTA directors should be appointed by the province, or elected by regional residents, and comprised of people with clear and proven competencies in planning and managing transportation systems, environmental issues, urban land use and development and financial accountability and viability. Their legal fiduciary responsibility should be clearly set out in GVTA legislation as regional in scope and not local. Directors when asked to serve on the GVTA Board should sign a statement that they understand this regional fiduciary responsibility and are willing and able to act on it.

Beyond this structural governance issue, the GVTA must be given appropriate land use and transportation responsibilities capable of surmounting narrow local or neighbourhood concerns to champion regional transportation, land use and density, and environmental quality goals. It should have the power to overrule, if necessary, local zoning restrictions that stand in the way of appropriate and dense land uses near transit stations and major bus line and highway intersections. Finally, the GVTA must be given the financing powers it needs to properly fund regional transportation investments and integrated transportation and land use planning.

Without these governance improvements transportation problems will grow in magnitude and scope. The Vancouver region will be less attractive and less able to attract and retain the knowledge workers and firms that are the foundation of the future. Solving regional governance and transportation problems is thus not an option but an imperative and essential pre- or co-requisite for crafting and implementing a viable and effective regional economic strategy.

5. Housing costs: WANTED! Creative, flexible development processes

The Vancouver region has always benefited from luring and retaining professional and well-educated people, which explained the anomaly between having among the very lowest post-secondary education participations rates and the highest proportion of people with post-secondary education. However, we are no longer to be able to attract so-called highly qualified personnel (HQP) because national, North American and global competition is so intense. Thus, pursuing this same strategy into the future threatens having an adequate supply of doctors, pharmacists, nurses, engineers, scientists and skilled business leaders.

This is part of the reason why it is essential that we get regional governance and transportation-land use policies and investments right: a less liveable and enjoyable region is a less competitive one as well. A part of the declining attractiveness of the Vancouver region is high housing costs, an almost perfect complement to our failed
transportation efforts. The only way to keep the costs of housing affordable is to ensure that there are adequate supplies of housing, appropriate for the diverse housing needs of the region’s population. This requires much more flexible and creative land use controls than are currently in place, including a return to the much and wrongly maligned highly flexible and adaptable land use contract of the 1970s and early 1980s. Responsive planning and permitting processes that encourage innovation and provide a continuing excess in housing capacity can reduce the high and rising costs of housing and related travel that threaten the attractiveness and competitiveness of the region.

vi. **Challenging federal and central Canadian biases to and getting what we need to contribute to a robust Canada**

In part because of our propensity to complain about real or imagined slights by Ottawa, Toronto and Montreal, our legitimate and substantiable concerns about our current and potential roles in the Canadian confederation are often unheard. To overcome past and continuing biases in Ottawa we need to work together to build compelling submissions for federal programs. We also need to be considerably more aggressive to ensure that we take advantage of every opportunity that Ottawa provides to attract funds here to Vancouver. For example, the current innovation initiative, the Canadian Foundation for Innovation, the Canada Research Chairs, Millennium Scholarships, CIHR health funding, and federal nascent initiatives to cover the indirect costs of research in our universities, provide superb opportunities to increase our share of federal program funds. To succeed here requires concerted and cooperative provincial and private sector financial and political support. Provincial efforts in this vein, especially on the indirect costs of research and the Canada Research Chairs, have been laudable and set a pattern that can be extended into the future and into the private sector as well.

Illustrative of the issues here is the need to get the federal government to be much more active in changing transport policy, especially that concerning ports and airports. Vancouver and British Columbia have paid significant prices for current aviation policy. This policy, or more properly the absence of new policy, has led to a near monopoly situation adversely affecting Vancouver’s growth as a gateway to/from Europe, North America and Asia, but also to/from struggling communities outside Southeastern BC, the 250 region (for its area code). Requests for reductions in rent by YVR have been greeted in Ottawa (and Toronto too) as special interest group complaints, failing to realize that YVR has paid roughly half of all the “privatized” regionally run airports, and that the level and structure of this rent agreement, inhibits additional investment by YVR, a major loss for all of Canada, not just Vancouver and BC. Similar requests for integration and coordination of Vancouver’s ports are, or rather should be, a national concern given the dominance of the region’s ports in Canadian commerce and trade. To get Ottawa’s ear necessitates acting in a unified fashion, putting forward compelling and well-reasoned and timely briefs, and taking our case to Ottawa in the most forceful and compelling ways to be presented by senior members of the provincial government, the private sector and labour. In short, by mimicking the exceptional successes of Montreal and its Montreal Inc. coordinated full court press approach to policy making and obtaining federal resources. We need our own Greater Vancouver, Inc. as described next.
vii.  **Building Greater Vancouver, Inc. is critical on all counts**

We need a *Greater Vancouver, Inc.* now. Cooperation (both financial and personal) among senior government, business, university and labour leaders is the minimum requirement for building a powerful and respected unified voice for the interests of the Greater Vancouver area. Past noble efforts such as the discontinued Greater Vancouver Economic Partnership and the much earlier and successful Asia Pacific Initiative (API) are examples of cooperation. The API success is instructive because it brought together diverse elements in the Vancouver region to make forceful and ultimately triumphant cases for the devolution of the Vancouver Airport to a local authority, for a similar devolution of the Vancouver Port Corporation, which also occurred, and for the recognition of the region’s role as an important gateway to the then booming Asia Pacific region, which also progressed, nicely up through the nasty nineties and the Asian Crisis at the end of the decade. The leadership vacuum that has plagued the region to date both internally and externally would be quickly overcome with the visible and strong launch of *Greater Vancouver, Inc.*, as a registered trademark that helps us create a recognized competitive brand name nationally, across North America and around the world.

**b. Needed Federal Government Policy Actions**

Below, appear specific federal policies designed to advance the above goals.

i.  **Speed exit – no subsidies or support for the weak**

No better stimulus to innovation and productivity than the threat of extinction. One of the major barriers to productivity growth and innovation in Canada, British Columbia and Vancouver is the web of subsidies and support that are provided to essentially unfit economic enterprises. These subsidy and support programs need to discarded immediately so that enterprises understand that the failure to innovate, to invest in people, ideas, and plant and equipment, carries with it a high price: bankruptcy and an exit from the regional economy. Improved bankruptcy laws will also be important in encouraging people to be innovative and take the attendant risks that innovation brings with it. Unless economic extinction clearly looms for poorly managed firms wedded to the status quo, no amount of government incentives for innovation will change the business culture of Canada, BC and Vancouver. Only by combining incentives to be innovative, productive, customer focused and competitive are implemented with the ever present reality of extinction facing those who do not innovate, will federal, provincial and regional innovation policies ever be effective.

ii.  **Build retraining and human capital capacity**

Canada has lagged most OECD nations in retraining and human capital investment, especially by the private sector. This must change. Educating and training employees must be seen as an investment that carries with it high and enduring returns, instead of the current prevailing view that education and training are costs that are unlikely to recovered and are therefore someone else’s responsibility – either that of other enterprises or of governments. Reliance on government to absorb such costs is understandable but inconsistent with calls for lower taxes and reduced government
spending. An educated, well-trained and adaptable workforce is an enormous public
good benefiting everyone. Accordingly, having governments provide for human
capacity building is appropriate and called for until the private sector sees that it is in its
own interest to share the costs of human capital investment.

iii. **Build EurAmAsia SuperHub® and PacificPort®: The Westcoast Gateway**

One of the great successes of the Asia Pacific Initiative was its rallying cry for regional
and provincial business, government and labour leaders to champion the causes of
placing YVR and the Vancouver Port Corporation under local control where both could
be more responsive to the opportunities and needs that these gateway functions faced.
What is needed to create the proposed *EurAmAsia SuperHub® Pacific Gateway* is
the same sort of leadership and commitment from business and government.

Virtually all of the policy suggestions below require decisions to be made in the national
interest about creating the SuperHub gateway. Thus, a concerted and unified effort by
the proposed *Greater Vancouver Inc.* leadership consortium and coalition is a
necessity to make the case that the following policy actions are important for Canadian
competitiveness and they just happen to be located in our region.

1. **Create PacificPort®: A Marine Gateway Powerhouse by Consolidating All Four Major Westcoast Canadian Ports**

At present Canada’s Westcoast ports all located in BC with the most important in the
Vancouver region, are managed as separate and often competing entities: Vancouver
Port Corporation; North Fraser Harbour Commission; Fraser-Surrey Docks in the
Vancouver region; the Ports of Nanaimo and Victoria on Vancouver Island; and the Port
of Prince Rupert. The Vancouver region ports need to be rolled into the Vancouver Port
Corporation as the largest operating entity and the remaining three ports rolled into
PacificPort®, which would become an integrated West Coast marine gateway
headquartered in the Vancouver region, but with major operating subsidiaries in
Victoria, Nanaimo and Prince Rupert. This reorganization will allow joint marketing of
the PacificPort®, as well as better access to capital and capital planning (especially for
much needed improvements and expansion in the high potential Port of Prince Rupert).

In addition to the suggested reorganization, the PacificPort®, must have great
autonomy much along the lines of YVR and not along the more constrained model of
the Vancouver Port Corporation (VPC). The regionally devolved PacificPort® would
have capacity to borrow, set up subsidiaries, buy and sell land and enter into contracts.
It would have a charter that looks like that of a modern corporation while having a board
of at most nine knowledgeable people appointed initially by a joint nominating
committee that reports equally to the Premier of BC and the Federal Minister of
Transport. Subsequently, there will be a permanent nominating committee of the Board
that seeks out and nominates knowledgeable potential board members for vetting and
appointment by the entire Board of Directors. The Nominating Committee is to be
comprised exclusively of the three Directors who are not associated either with the
maritime or associated transportation industries or with any of the communities in which
the ports operate. The nominations are to restricted to knowledgeable and experienced
people who can address the diverse issues that the board will face and are willing to act as fiduciaries for Canada, BC and Vancouver, and for the diverse maritime stakeholders, although no more than six of the nine directors can be tied to the maritime industries or the port communities.

2. Giving YVR open skies and 5th Freedom Rights

YVR, Canada’s second busiest airport is a national asset. It provides essential air passenger and freight access to Canada and North America and to points in BC, Alberta, Canada and the US. It has consistently ranked among the best airports in the World and in North America. However, its capacity to serve Canada better is badly limited by current federal air transport policy.

First, the federal government is largest beneficiary of economic activity at YVR. It collects some $500 million annually in taxes from the airport’s passengers, employees, and businesses (InterVistas (2000)). During the first eight years of its operation, from 1992 through 1999, of the $593 collected by the federal government from local airport authority leases, $341 million (57.5%) came from YVR. At the same time $363 million went to support less profitable airports, with $203 million going to Montreal (negative and deferred rent) to support needed improvements and operational losses. In fact, 5 varying rent formulas are in effect at 16 local airport authorities. Prior to VIAA control in 1991, the federal government garnered a mere $21 million in profit, having failed to improve and upgrade the airport. In 2000 alone, Ottawa collected $64 million in YVR rent with no cap in sight, adding significantly to YVRs cost base and hurting long-term competitiveness (Simpson (2000)). Moreover, the rent formula penalizes YVR initiative and investment, since the more revenue that YVR earns the higher is its lease payment.

The second federal government policy that is holding back YVR results from the Air Canada and Canadian Airlines merger, there has been major restructuring of merged operations leading to a loss of aircraft movements, a decline of passengers on domestic routes, and a decline in service to British Columbia airports which use YVR as a hub. Also, the Star Alliance® (Air Canada is a member) replaces Canadian Airline’s oneWorld® group. The Star Alliance uses San Francisco as its trans-Pacific hub, where oneWorld® used and wants to use, YVR. Tourism operators have complained that service cutbacks in Western Canada have made it difficult for travellers to get seats to and within BC and Alberta, while Air Canada expands its core market in Ontario and Quebec, seeming to ignore opportunities in the West and Asia.

The rent issue is part of the general lack of political power in Ottawa for YVR and BC. For example, YVR is not generally seen as a valuable national asset worthy of special treatment like Toronto and Montreal. Specifically, there is a huge need to extend 5th freedom rights to US and other carriers especially for air cargo in order to have YVR reach its potential given the limited Canadian freight market, but the significant opportunity to serve as a cargo hub for North America. Additionally, 5th freedom rights for passengers would allow oneWorld® alliance to use YVR as its trans-Pacific hub, to the great advantage of YVR, British Columbia and Canada. However, Air Canada with its near monopoly and great political power from its Toronto and Montreal roots, will
vigorously fight such 5th freedom rights, despite the huge benefits that could accrue to Canada through YVR. The same kind of activist visionary and strategic lobbying that created the VIAA in the first place will be needed to raise the role and needs of YVR to the national economic policy agenda.

3. Use Greater Vancouver Inc. to champion the EurAmAsia SuperHub Pacific Gateway®

This section began with a call for Greater Vancouver Inc. to cut its policy teeth on making the case for broad national support for the EurAmAsia SuperHub Pacific Gateway®. The Gateway Council already has broad public support. It has been successful in getting its important agenda out to the business community and policymakers and to the general public as well. Despite broad support, it needs a broader base like the proposed Greater Vancouver Inc. This region’s pleas to invest in roads and infrastructure to build the sea, land air gateway, need coordinated support, and a well-argued case to the federal government. Even though the national benefits from the proposed federal actions are so clear, it will take a major unified lobbying effort to obtain the policy changes needed to launch the EurAmAsia SuperHub Pacific Gateway® as an vital instrument of national, not regional, economy policy.

iv. Build HCB, HQP and R&D Capacity

Investing in people and ideas and listening to both is what this point is all about. This is an imperative for achieving prosperity in the knowledge economy. Canada and BC have lagged US states and other OECD countries in these areas and recent efforts to reverse this trend by both levels of government are to be lauded, as is a continuation and strengthening of the trend. The private sector continues to be a weak link in efforts to develop scientific and process innovations and implement them and much more needs to be done by private enterprises to help Canada, BC and the Greater Vancouver region improve their education, training, innovation and implementation records.

v. Shape capital and financial markets to serve innovation, new ventures and the West

Vancouver has enormous needs to early seed and downstream venture capital funding. However, somewhat analogous to the consolidation in the airline industry, the region does not get the early stage funding it needs and deserves. The excessive concentration of financial services firms in Toronto, and to a lesser extent in Montreal, has made it very difficult for the region’s innovative and largely technology driven firms to obtain the needed equity and debt financing needed to grow these small firms. This again, is a federal jurisdiction, and much like the airline problem, changes in federal enabling legislation to allow and attract foreign competition (i.e., the Bank Act) could have major benefits in opening capital markets to the smaller and higher innovative Vancouver regional firms. The loss of the Vancouver Stock Exchange has added to the inability to attract risk capital, putting greater pressure on the federal government to act. Once again Canada will be the biggest beneficiary of a strong technology sector in BC, so this is one more call for national action, and not a parochial plea for federal largess.

c. Needed Provincial and Regional Policy Actions
i. **Create labour market flexibility**
British Columbia has been periodically plagued by labour strife for much of its history. In British Columbia this has meant that capital and labour have come to distrust each other and governments have between the two depending on their ideological platform. The result has been a great deal of inflexibility built into individual labour contracts and into national and BC labour laws. These laws, contracts and attitudes have made it extremely difficult to create a flexible labour market that can absorb the enormous economic changes of the recent past and compete effectively. Greater trust between employers and employees is essential to create labour market flexibility and achieve productivity and competitive advantage.

ii. **Create provincially empowered independent regional authorities**
Several independent special purpose authorities need to be provincially created to provide for regional interests and needs. The authorities would be given clear regional fiduciary responsibility for issues within their purview including financial, taxing and regulatory powers. They would be either elected or appointed and in either case have high degrees of transparency and accountability imposed upon them. At the minimum these authorities would include: an Economic Development Authority; a Transportation and Land Use Authority; an Environmental Authority; and a Social Cultural Authority.

iii. **Create a Regional Coordinating Council**
The Regional Coordinating Council will be comprised of the Chairs and CEOS of the various authorities. Its role is to coordinate and reinforce policies of the separate authorities to ensure consistency, address conflicts and reduce the undesirable impacts that the policies of one authority may inadvertently have on one or more of the others.

iv. **Regional Economic Authority Responsibilities**
The Regional Economic Authority (REA) will be responsible for developing and implementing a regional economic strategy and with providing the much needed one-stop shopping for prospective residents and organizations. The Authority will also be responsible for working with the province on federal-provincial-regional intergovernmental relations of concern to the region such as:

1. **Ports:**
Initial responsibility will be to lead the consolidation of BC ports under the proposed Pacific Port Authority to be headquartered in Vancouver as noted above.

2. **Airports:**
Champion the call for a reassessment of the federal lease rents for YVR, push for open skies with US (for passengers and freight) both as means to provide YVR with the international gateway hub advantages it needs to serve Canada, but also as a means to promote greater competition in the Canadian airline industry. More generally, the Authority will seek 5th Freedom rights for international carriers serving Vancouver and cabotage for freight for these international carriers.

3. **Innovation initiative:**
The Authority will be responsible for preparing the necessary briefs to attract federal funding from Industry Canada, and where needed matching provincial or private sector funding, under the government’s Innovation Initiative as one current example for starting to obtain our share of federal program funding.

4. HCB and training, attracting and retaining of HQP:
The Authority will again be responsible for preparing the necessary briefs to attract federal funding from Human Resource and Development Canada, and where needed matching provincial or private sector funding, under the government’s Innovation Initiative but also under existing training and education research funding. Of particular importance here is working with post-secondary institutions to ensure that the region’s research and graduate research institutions obtain all of the funding they can under centrally important federal programs such as the Canadian Foundation for Innovation, the Canada Research Chairs, Millennium Scholarships, the Indirect Costs of University Research, and other programs from the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, the National Research Council and the Social Sciences and Humanities Research as well as other relevant federal research and graduate support initiatives. We can no longer rely on importing our highly qualified people (HQP). We need to develop these skills locally along with the research and development infrastructure that will attract and retain HQP.

d. Local and Regional Specific Policy Proposals
Providing environments for innovation, productivity and competitiveness must begin at the local and regional level where innovation takes place. This is very much a “do we as we do” and not “a do as we say” issue. Municipalities and the regional entities discussed above must start by being innovative in their own approaches to defining the local issues they confront, be they regulatory, infrastructure, or public service in nature.

1. The Community Charter: A Brief Contextual Aside
One particular proposed innovation in urban policy needs to be noted at the outset here as it may have significant consequences for future urban policy in British Columbia, not necessarily consistent with the arguments made earlier in this paper. Specifically, the White Paper on the Community Charter and the accompanying draft legislation released in May 2002 sets out a dramatically different relationship between the province and its municipalities (save Vancouver, which operates under its own legislation, The Vancouver Charter) (Business Council of British Columbia (November 2002)). In particular: municipalities should have broader powers to meet current and future challenges, including broader taxing capacity; the provincial government should not be able to offload responsibilities and costs to municipalities; and municipal governments need to be democratically elected and accountable to their residents.

These are laudable goals, however, they do pose some significant potential for worsening the governance issues facing the Vancouver region. The expansion of municipal regulatory and taxing powers runs counter to the previously argued need to curb local powers when they obstruct meeting broader regional and provincial goals and needs. The proposed capacity to provide tax relief to specific businesses flies in the
face of virtually all research that shows such subsidies to be ineffective (Wasylenko (1991)). Also, providing municipalities with new revenue sources can certainly help them meet current and future fiscal challenges, unfortunately, while also adding significant costs to the business community and to regional competitiveness as a result.

The proposed Community Charter is still incomplete and thus largely an unknown. However, in the absence of a parallel Regional Charter and a corresponding revised Vancouver Charter, it is difficult to assess the impacts of the Community Charter on municipal and regional competitiveness. From the currently available information however, it appears that the spirit and underlying assumptions of the Community Charter run counter to the points made previously in this paper in favour of regional powers, if needed at the expense of local municipal powers that seem to be the exclusive focus of the Community Charter. If enacted as presented, the Community Charter can be a major impediment to regional (and therefore municipal) competitiveness and effectiveness, the reverse of its intended consequences.

With this aside duly noted, we can turn to consider specific municipal policy initiatives that can enhance municipal and regional competitiveness and effectiveness. Accordingly, below appear a number of specific policy proposals for selected municipalities in the Vancouver region and for the region as a whole. These are purposely novel and designed to provide both a metaphor and a means by which municipalities and the region can simultaneously be innovative while providing the flexible environment within which innovation is encouraged.

It is also worth noting that a number of the points made here in the context of Vancouver are really quite general and thus apply to virtually all of the municipalities in the Vancouver region. Subsequent suggestions for other municipalities, therefore, will focus only on the additional specific policies faced by each municipality, with the reader left to apply the relevant more generalizable policy ideas set out next for Vancouver.

2. Vancouver: Evolving from Vancouver the pretty (if a bit dull), to Vancouver the interesting, perhaps even captivating, and certainly innovative and competitive

Cities are about people, dense and diverse activities, interesting alluring streetscapes, varied parks and recreation choices, and about providing options, lots of them, in lots of domains from housing and job choices, to restaurants, foods, cafes, pubs, music, and spontaneous walks, bike rides, meals, entertainment and much more. Vancouver is not a good strolling city with a few exceptions like Robson and Denman Streets, and parts of Commercial Drive and Kitsilano. We have no pedestrian zones as is common in virtually all European cities. Our city blocks are long (500’ downtown and most east-west streets) making it difficult to meander. Sidewalk use and signage are tightly controlled by a broad array of rules that provide neatness but stifle fun and spontaneity. Rain is central to Vancouver as the sea and mountains, and not conducive to strolling. To “dedull” Vancouver, we don’t have to be creative to break new ground, we just need to use ideas that have made other cities exciting and alluring for centuries or more.
a. “Walking in the rain, I’m walking in the rain, …”

1. Include mid-block walkways or mini-parks in any major development in Vancouver as well as glass-covered arcades or overhangs at the minimum.
2. Allow lanes to be completely or at least partially covered, where feasible to create exclusive and quiet pedestrian-landscaped retail, restaurant open-space.
3. Build underground vibrant links: between Bentall 5 and Burrard SkyTrain Station (or to Bentall 1-3); tie BCIT to the renewed Granville Station; connect Bentall 5 and Pacific Centre North; link Robson Square and Pacific Centre.
4. Transferable density bonuses, tax breaks, expedited approval and other incentives all could facilitate these pedestrian spaces and links.

b. Walk; don’t run (or drive or bike)!!

1. Open Granville Street from Hastings to Drake Streets as a walking street and landscape it so that it can become a linear park linking growing neighbourhoods in False Creek North, Yaletown, Coal Harbour, and Gastown as discussed below.
2. Open Robson Street from Granville to Jervis Streets as a walking street with likely longer-term extensions to Stanley Park and Yaletown and False Creek North.
3. Identify other potential walking streets: Chinatown (Keefer Street from Carrall to Gore), Gastown (Water Street from Seymour to Main); Broadway (Trutch to Vine; Oak to Cambie;), West Fourth Avenue (Burrard to Balsam); and streets where closure can be achieved with off street parking and transit access.
4. Let developers set ground floor uses for new apartment and commercial buildings to meet neighbourhood service needs and add variety to Vancouver’s streetscapes.
5. Extend the Granville Street “neon initiative” to other active retail and entertainment areas: reduce planning control of micro details to allow individuality to emerge in different areas in diverse ways – no more “one size fits all” straight jacket rules.

c. First things first: Fixing what’s broken

To date, reversing or even halting the decline of the Downtown Eastside has resisted the best efforts of governments and social activists. A very different approach follows.

1. Currently, Gastown is isolated by railway tracks on the north, the worst part of Hastings Street on the south, and Main Street the bulk of the Downtown Eastside on the east. Because of the failure to develop Gastown, the downtown core has been effectively blocked from moving east. The International Village has failed by being cut off from the boom of False Creek North and hindered by its proximity to Hastings and Main and its problems. The area from Richards Street east along Cordova, Water and Hastings Streets needs a major sustainable boost to break this cycle. Several integrated approaches should be pursued. Quickly develop the Gastown Waterfront (Granville Square to Main Street) using tax benefits, density transfers and related incentives set by City Council to revive Gastown. Gastown development should be closely integrated with planning for its waterfront, including easy water access, and extending Coal Harbour’s waterfront park while using diverse pedestrian and mid-block paths to link Gastown and Gastown Harbour.
2. The social, economic and health problems that have plagued the Downtown Eastside must be tackled in earnest. Fighting market development of the waterfront,
of Gastown itself, of Main Street south to Terminal Avenue and Great Northern Way and to False Creek Southeast will not solve Downtown Eastside problems. Special interests that impede and stifle change in Gastown and on the Gastown Waterfront to help Downtown Eastside residents need to be held to account. Gastown and its waterfront are prime residential and commercial sites: natural extensions of the downtown core. Waterfront development can provide significant new supplies of downtown housing and commercial space, increase SeaBus and SkyTrain demand, decrease area auto use, and provide funds to address health and social issues.

Displacement issues and services for current Downtown Eastside residents will be significant and must be addressed. However, providing security of tenure or veto rights over market development in the area is not in the interests of the City, of the downtown and civic vibrancy, or of the present Downtown Eastside residents who cannot get the services and infrastructure they need. New resources can flow from redeveloping Gastown and its waterfront to their highest and best uses. Developers can be charged with the costs of funding effective solutions to the problems of low income and at risk people/families, and their shelter, food and health needs. The key to success in Gastown, International Village, False Creek Southeast and Railroad Flats will be developing the Gastown Waterfront from SeaBus at least to Main Street as the renewal engine for the area. The Gastown Waterfront is the most desirable and underused land in downtown. Adding new residents and workers next to Gastown affords exactly what has been missing to date: large and stable daytime and night time residents with spending power. In turn, Gastown can energize North East False Creek, International Village, Southeast False Creek and Railroad Flats.

d. Making downtown and its diverse neighbourhoods even better
1. Increase allowable building heights and densities on the downtown peninsula west of Main Street, particularly near SkyTrain and the SeaBus terminal(s).
2. Attract international agency headquarters or regional headquarters.
3. Provide fast approval processes and flexible land use controls for local companies to grow their businesses and retain the HQ functions in Vancouver as they grow.
4. Create more diverse design via height and density flexibility to build a more varied and efficient core that conserves scarce land and builds public transit ridership.
5. Add inner harbour SeaBus routes to other parts of Downtown and raise densities near terminals (e.g., Wall Street and Coal Harbour; Lynn Term and Deep Cove).
6. Encourage street festivals and closures on selected streets (e.g., Commercial Drive (Italian and Portuguese festivals), Broadway (Greek holidays); and more.
7. Reduce the power of naysayers to stifle neighbourhood innovation and spontaneity.
8. Reduce the power of planning and licensing agencies to stifle innovation through micro-managing architectural and urban design and rigid permitting processes.
9. Redirect the Parks Board to focus on park use and activity not park acreage.
10. Explore past land use ideas as exemplars for future development: row houses; ferries; walking areas; streetcars; covered arcades; public plazas and open spaces.

3. North and West Vancouver
The North Shore, particularly North Vancouver City and District, have significant opportunities to spur innovation in the region. North Van City (NVC) can take much greater advantage of its excellent access to downtown Vancouver than it does currently. SeaBus links NVC with the Vancouver core in trips of less than 15 minutes. The Vancouver SeaBus terminal is an easy walk to the Vancouver Convention Centre, the downtown office and retail core, helijet and floatplane service, and the burgeoning downtown peninsula population. NVC can zone the Lower Lonsdale area for higher densities, offices and technology and thus participate in, and extend, the growth of the Vancouver downtown population and business sectors. Reverse commuting from Vancouver to Lower Lonsdale would make more efficient use of two existing SeaBuses and encourage building a third one for the current route. Such commercial development could also spawn high-speed passenger ferry service to NVC from Port Moody and North Burnaby. Getting TransLink to integrate North Shore bus service more closely with SeaBus service would also heighten the attractiveness of Lower Lonsdale to North Shore residents, allowing businesses greater locational choice and potentially easing congestion on the Lions Gate and Steelworkers’ Memorial Bridges. The redevelopment at higher densities and more flexible land uses on the former shipyard lands, and other underused land adjacent to Lower Lonsdale, provides an excellent opportunity for reshaping the Lower Lonsdale area as a major regional employment centre and extension of the Vancouver CBD.

NVC also can play a centrally important role in reinventing the region’s marine service industries. The existing marine training facility can and should be expanded to provide both training and research capacity to reinvent the marine services sector including existing tugs, barges and ship repairs, and also move to naval architecture and special purpose niche boat building activities such as SeaBus, aluminum fishing and other boats, and a possible home for a new, expanded and more suitable Maritime Museum. The current deep-sea diving equipment sector and growing ocean shipping and cruiseship facilities in Vancouver harbour provide other opportunities for high value marine repairs and services, which if successful, could be extended to Seattle, Portland and San Francisco.

North Van District (NVD) can follow suit with exploring fast passenger ferry service from Deep Cove (again with some increases in density) and from Maplewood Flats at the North End of the Ironworkers’ Memorial Bridge. The Maplewood Flats area especially, offers excellent potential as a higher density residential and commercial area anchored by a new passenger ferry terminal linkage NVD with Vancouver’s downtown.

Finally, West Vancouver should begin to explore redeveloping its former ferry terminus functions, particularly from Ambleside to Jericho to provide quick access to UBC from all of the North Shore and relieve existing bridge and road networks of the significant traffic destined for UBC. Ambleside is well served by W. Van by and could be better served by integrating a new passenger ferry terminal with TransLink’s NVC and NVD buses. This ferry terminal should also be supported by higher density housing, retail office development in the Ambleside area, which already has diverse high-rise housing, and could accommodate higher density, yet still low-rise, retail and office development, to
provide greater shopping and office opportunities for all North Shore residents and for
UBC-Ambleside ferry users.

The great success of Sydney’s ferry system, at densities comparable to those in the
proposed North Shore locations, suggests this is a feasible transportation innovation. It
does have to be supported though by higher density and more flexible land uses.

4. Port Moody: passenger ferry zone; deep-sea technology
Port Moody has the chance to follow closely the ideas set out for NVC above. A high-
speed passenger ferry terminal at the eastern end of Burrard Inlet could be the focus for
higher density housing, retail and commercial development that the city currently lacks.
Shifting passengers to ferries can reduce congestion from the Northeast sector of the
region. It can also provide a more diversified economic and residential base for Port
Moody by increasing its attractiveness both as a residential and commercial centre,
potentially intercepting ferry passengers, office workers and shoppers from the
Coquitlams and Haney-Maple Ridge through park and ride facilities and bus service to
the proposed Port Moody ferry terminal.

5. Coquitlams: retail and office centre; recreation
The Coquitlams offer great potential as Northeast sector retail and office hubs. The
Coquitlam Centre area and the Port Coquitlam cores need higher density, better urban
design that integrated improved access through the second stage of the Millennium Line
and better bus service into land use planning. They have the potential to become
important interceptor office and retail centres, adding to the diversity of office, housing
and shopping opportunities for people in the Greater Vancouver region while providing
increased supply to moderate our housing price and availability problems.

Coquitlam, because of its vast size and exceptional recreation resources, can also
position itself as a regional recreation centre with its golf courses, regional parks, and
wonderful hiking, canoeing/kayaking and biking opportunities.

6. Surrey-White Rock: An intermodal hub and gateway
Surrey-White Rock (S-WR) has been greatly underutilized as a regional asset to date.
The area is the gateway to the US and its vast interstate highway system. It is home to
the region’s great railway assets: CN and CP rail yards in Port Mann/Port Kells and the
BN freight and Amtrak Seattle-Vancouver passenger services. It also includes the
Fraser-Surrey docks (hopefully to be integrated into Pacific Port®). S-WR can, and
should become a major rail-truck intermodal centre in and around the Port Mann/Port
Kells area, and ship-rail-truck intermodal centre in the Fraser-Surrey Docks area, and a
US truck, rail and passenger gateway at the US border crossings.

S-WR could benefit enormously from the continued call to increase passenger rail
service to Seattle and the I-5 corridor. A potent and credible Greater Vancouver, Inc.
could develop the political clout needed to get senior government financial support for
the improved Vancouver-Seattle passenger rail service. Forward looking municipal
councils in Surrey and White Rock could also provide the necessary density and land
use flexibility to exploit and support the enhanced service. Given sufficient longer-term density in Surrey and White Rock adjacent to the BN line, it is imaginable that commuter rail service could also develop linking White Rock, Newton, Scotts Road (North Delta), Burnaby and Vancouver, akin to the Pacific Coast Express, but passing through much denser areas with much greater passenger revenue generating potential.

7. Richmond: YVR-LRT; heritage tourism; retail-office centre
Richmond is unlike other suburbs in the region: it is the only one that has more jobs than residents. It has established itself as a high-tech hotbed, home to YVR, a burgeoning retail sector, and a diverse Asian ethnic community: the only municipality in the recently released 2001 census where more than half (54%) of the residents have a mother tongue other than English. As a result, Richmond enjoys exceptional opportunities to develop itself as an Asian-focused engine of trade, tourism and commerce. The presence of YVR and its global reach facilitates this enormously.

Richmond has done a good job developing its core centred on Westminster Highway and No. 3 Road. More needs to be done though to increase core residential, office and retail densities to benefit from and YVR-Richmond LRT line and achieve the scale and critical mass needed to become an Asian-focused international business and tourism centre for all of Canada and North America, not just for Vancouver and BC. A good and varied supply of hotel accommodation, the presence of YVR, and the proposed LRT line, should boost the growing heritage tourism sector (especially in Steveston as evidenced by last year’s runaway Tall Ships success). Again, flexible land use controls and efficient permitting processes are needed to capitalize on these tourism and Asian linked international business opportunities.

Finally, the existing vibrant high-tech sector will also play an important part in Richmond and the Greater Vancouver region’s future, spurred on by the same pluses just noted for tourism, as well as by reasonable proximity to UBC and Yaletown and also highway access to BCIT, SFU and the South Burnaby technology area. Providing adequate zoning and permits to foster growth in this sector is essential though, particularly if the region is to grow its modest size technology companies into global scale players and retain HQs in Richmond to the benefit of the entire region.

8. Delta: intermodal hub; river/beach recreation; farming
Delta is a very complex municipality with three quite separate and different communities: Ladner; Tsawwassen; and North Delta. Delta will continue to be suburban in nature in each of these areas with minimal employment generators outside of the agricultural, retail, and transportation services. The Tsawwassen ferry and DeltaPort terminals have great opportunities to be a major intermodal trucking and marine shipping centre. To do this the Fraser River perimeter highway linking DeltaPort with Highway 91 and with the Trans-Canada Highway is an absolute must. Here again, Delta needs to cooperate with the other municipalities to launch Greater Vancouver, Inc. and get behind this vitally important road connector. There is additional port capacity at DeltaPort but without the perimeter road, this capacity is unlikely to be added. Similarly, the Tsawwassen Ferry Terminal has the capacity to be larger hub and
gateway in an expanded and more efficient ferry system. Again, the perimeter highway is essential if this vision is to be realized.

With the benefit of the perimeter link, Tsawwassen, Boundary Bay and Ladner have significant capacity to increase tourism activities deriving from the excellent beaches, from the large agricultural sector, from Boundary Bay and Delta Flying Club airports, and from its key location on the proposed perimeter highway, on Highway 17, Highway 10, and Highway 99. More can and should be done in the tourism sector in a coordinated way working with Tourism Vancouver and Tourism BC.

9. The Langley and Abbotsford: housing, warehousing, hothousing

The Langley and Abbotsford have been traditional bedroom and farming communities. However, both have significant opportunities to enhance our region’s competitiveness by increasing density and focusing growth in existing core areas. They all have good access to the US and its highway system. All have opportunities to develop their industrial and agricultural bases in a coordinated way. All have to avoid degrading the land base and wasting scarce land resources. Accordingly, these three communities need to view their future as inextricably tied to that of the rest of the Vancouver region and to pick their particular niches to excel and to help the region realize its competitive goals. They need to exploit their rural nature and high quality living potential by building density near freeway exits, protecting their agricultural heritage and land base, and focus on economic activities that can profit from proximity to the US border, and on creating more densely planned and interesting living and working opportunities. Their future resides in protecting their land resources and focusing urban development, not on wantonly using their scarce land resources on land extensive uses such as sprawl single-family residences. High intensity and high value agriculture such as hothouse grown vegetables, berries and grapes are an important part of their economic and cultural future as is their Dutch, Mennonite, and German ethnic roots. Transportation infrastructure such as improved roads and rails are also important and should be lobbied for to allow for better planned more intense land uses that are tightly integrated with these transportation improvements.

10. The GVR: integrated economic strategy-making and execution

Turning finally to the Greater Vancouver Region as a whole, as stressed repeatedly, the region needs to develop a regional economic strategy and not allow narrow local interests to detract from a concerted regional effort. The regional economic strategy must focus on the following, among other initiatives:

i. Developing needed transportation infrastructure quickly. Included here are: additional Fraser River highway and rail bridges; the long overdue South Fraser Perimeter Road linking Roberts Bank and Tsawwassen with Highway 91 and the Trans-Canada Highway; the Richmond-YVR-Vancouver LRT; improved ferry and bus service; and recognition of the importance of goods movement as well as commuter travel.
ii. Carefully integrating international and interregional transportation gateways such as YVR and the diverse ports with intra-regional transportation and land use infrastructure.

iii. Closely integrating regional transportation investments with land use controls, again keeping regional needs in mind, not just local ones.

iv. Developing the regional governance structures needed to balance regional needs against currently dominant local concerns.

v. Selling the enormous diversity of economically viable locations for firms and concomitant excellent liveability for employees, particularly highly mobile knowledge workers.

vi. Recognizing that significant economic differentiation and specialization has already occurred in the region and allowing and facilitating these differences to strengthen to provide agglomeration and cluster advantages (i.e., Richmond’s high tech sector; Port Moody’s sub-sea focus; and Vancouver’s biotechnology advantage) to attract firms to the most appropriate locales within the region.

vii. Explore the possibilities for attracting international organizations to the region, while retaining and growing local head offices.

viii. Above all, build regional leadership and a Greater Vancouver, Inc. approach to ensuring that the region gets at least its fair share of national policy agenda items and program benefits. Without this kind of regional teamwork and leadership it is highly unlikely that the region will attract the firms and people its needs to chart a new economic future. It is also highly unlikely that it will gain the sorts of national and provincial policy help it must concerning air and sea transportation.

V. Concluding Comments on Vancouver’s Economic Future: A National Innovation Opportunity and Economic Issue

a. Vancouver – The National Opportunity

The Vancouver region is perfectly positioned to provide Canada and British Columbia with a major economic force in both the North American and global economies. It must be stressed that failure to achieve the economic potential of the region is a national loss, not just a provincial or regional loss. The Vancouver region provides enormous and valuable diversification opportunities for Canada as well as powerful access to Asia Pacific and other international.

i. A national economic innovation engine

Vancouver specifically, and British Columbia more generally, can be vibrant engines of national innovation and economic strength. To realize the opportunities outlined above, the region must think regionally and strategically and develop outward and forward looking leadership to sell the importance of the region to national economic policy makers. Federal departments need to take a broader view of confederation built on the economic diversity of Canada’s region, especially Greater Vancouver and BC. The Department of Finance, Industry Canada, Human Resource and Development Canada, Health Canada, DFAIT, and Fisheries and Oceans all need to appreciate the unique
and valuable contributions that a healthy, innovative and globally competitive Greater Vancouver can add to Canadian well being and work with provincial and regional leaders to help Greater Vancouver realize its potential and make the contributions that it can to Canada as a whole.

   ii. A national EurAmAsia Pacific Gateway, hub and bridge
   The EurAmAsia Pacific Gateway is a particularly important component of the Vancouver region’s role as a national economic engine as already discussed.

   iii. A national cultural and global competitiveness asset
   Immigration, both international and inter-provincial, have provided the Vancouver region with rich and varied population that includes people and cultures from across the world. The people of the region represent an extraordinary national cultural resource and an invaluable asset in the competitive global economy. The linguistic and cultural of the region’s population combine with dense family and business networks to provide the region and Canada with an exceptional foundation for competing internationally.

b. Greater Vancouver: A British Columbia and Canadian Asset
   The Vancouver region has the opportunity to return to its position as a national economic leader and in the process lead the province back to its former role as a contributor to national economic well-being not a beneficiary. To do this requires commitment from business leaders to be active contributors to Greater Vancouver, Inc.®, and provide leadership not just for their firms but for the region as well, speaking with one voice and working closely with the proposed regional authorities and the provincial government to obtain the policy changes and programmatic funding we need from the federal government. The Vancouver region has an enormous potential capacity to link all of BC to people, markets and ideas from around the world. To realize this potential requires strategic region-wide and unified efforts and vigorous active leadership.

   Therefore, seizing the national opportunities that Vancouver represents can return Vancouver to a national economic leader, contributor and asset to boost Canadian innovation, productivity and competitiveness while turning a national cost and burden into a national producer of wealth and new economic futures. In such a position of national leadership the Vancouver region can help lead the entire province out of its current economic doldrums back to prosperity in long term economically sustainable undertakings.

   The current 2010 Winter Olympic bid is particularly notable in this context. Whatever the other economic merits or demerits of the bid, the prospect of hosting the 2010 Winter Olympics is exciting and highly worthwhile, if for no other reason than it can provide precisely the catalyst needed to galvanize the Vancouver region, and indeed all of British Columbia, into concerted and cooperative action. In this sense it is highly reminiscent of Expo’86, which did indeed bring a coordinated effort that has not been seen before or since.
Accordingly, the 2010 Olympic bid has the potential to foster the kind of leadership and broad community effort that has been lacking here. The Olympic bid therefore should be seen as much more far-reaching in time and space than just the 2010 Olympics themselves. Rather, the bid should be seen as the first step in creating the kind of coordinated effort that the region needs to prosper. It can be a chance to build and refine the previously discussed Greater Vancouver, Inc. so that the region can begin to evolve this much needed leadership vehicle. The Olympic bid holds the promise of motivating community leaders to work together across the region and the province to push the federal government to negotiate expanded Open Skies links with the US as well as the long overdue air treaties with Singapore and others as well as our chance to obtain the previously noted cargo continuation rights. Finally, the Olympic bid offers an exceptional chance to reinvent the Asia Pacific Initiative (the API II noted earlier), create the much needed Pacific Port® and more generally gear up Greater Vancouver, Inc. and B.C. Inc. as highly efficient and potentially politically daunting vehicles for getting the national government and economic agenda to take note of what we offer to Canada, and our effectiveness in lobbying for what we and Canada need.

Well-oiled Greater Vancouver, Inc. and B.C. Inc. political and leadership engines are just what the current economic strategies set out in this paper demand. The 2010 Olympic can start their evolution and refinement and also attract to B.C. and the Greater Vancouver region the public funding and regulatory environment necessary to return Vancouver and B.C. to powerful economic engines and exemplars of innovation for Canada.
Appendix 1: Sectors that Vancouver Might Build Upon

Vancouver and British Columbia can succeed in virtually any economic sector. Here are set out three sets of sectors where we already succeed and/or can achieve greater success in the future: The Obvious; Less Obvious; and Seldom Mentioned.

1. The Obvious: Build on Current and Emerging Successes

The Vancouver region has achieved significant success on a global economic stage in a diverse set of “old” and “new” economy sectors. There is every reason to expect that we can continue to compete vigorously and successfully in these sectors in the future, as we have been able to do to date.

Expo ’86 was a watershed in Vancouver economic and social history. Expo brought the world to Vancouver. More importantly, it brought a sense of self-confidence that was previously missing. The fair attracted people from around the globe who enjoyed the fair, and more importantly enjoyed the city and the region. Expo ’86 gave us needed infrastructure like SkyTrain, five-star hotels and professionalism that had largely been lacking in the hospitality industry. Thus, our first sector of success for the future is:

i. **Tourism**

Tourism and tourists are such a large part of our economy and experience that we often take them for granted. Our tourist sector is large, second to forests and related industries, is growing rapidly and represents 5%+ of GDP. Tourism is highly varied spanning: urban tourism, cruiseships, diving, golf, fishing, skiing/boarding, wineries, historical sites, kayaking, camping, hiking and mountain climbing, ecotourism and extreme adventure tourism. This product diversity is matched by great diversity in tourist nationality, yielding diversity in tourist products AND of tourist markets.

ii. **Transportation**

This is another obvious choice given our role as a huge port and airport gateway. Less appreciated is the growth rate and growth potential for the sector and its widespread use of information technology (both hardware and software), engineering services, marketing and management, and finance.

iii. **IT, Software and New and Multimedia**

Here again we have achieved great success and laid the foundation for a very broadly based IT sector spanning hardware, software, telecommunications, computing, and the technical foundations of the new and multimedia sector.

iv. **Film, Television, Theatre and the Performing Arts**

Closely tied to IT is Film and TV, which relies upon and supports strong Theatre and Performing Arts. Film and TV have grown rapidly, along with its broad support base.

v. **Biotech**

Vancouver’s biotechnology sector is as diverse as the IT sector being driven by basic biomedical and life sciences research originating in local universities and hospitals,
notably work at the University of British Columbia and its associated teaching hospitals. The new $150 million Life Sciences Centre at UBC, the coincident and adjacent development of the third 10,000 square meter incubator, and the presence of the Biotechnology Laboratory create a critical mass that will propel biotechnology in Vancouver well into the future in concert with work being done at the other post-secondary institutions and increasingly by the private sector.

vi. Wine (and tourism)
The rapid expansion of the BC wine industry has given great impetus to wine research and wine production in BC and in the Vancouver region. The UBC Wine Research Centre is doing globally recognized fundamental research on the molecular biology of grapes and yeast, and on the basic biochemistry of fermentation and wine production. In concert with increasingly sophisticated grape growers and wine producers, BC should continue to expand the quality, quantity and reputation of its wine, aided by significant reductions in liquor regulations and the rapid development of agro-tourism, particularly in the wine sector.

vii. Engineering services (mining, pulp, ports, etc.)
Vancouver has long been a global centre of excellence in engineering services for mining, lumber, pulp, transportation and port development for bulk material handling. This sector is relatively footloose and can locate wherever it can be accessible to a globally connected airport and can attract and retain first-rate talent. Vancouver meets these locational needs. Its current critical mass of engineering expertise should continue to be an important part of the Vancouver regional economy.

viii. Finance, Insurance and Real Estate (FIRE) (including venture capital)
Despite excessive financial services centralization in Toronto, the Vancouver FIRE sector has done extremely well in the past decade. Investment management has been exemplary the growing prominence of Phillips Hager and North, Connor Clark and Lunn, HSBC Asset Management, the BC Investment Management Corporation. Increasingly flexible and attractive rules and regulations in qualifying for provincial income tax exemption are available through IFC Vancouver. Local venture capital firms are succeeding in spite of very difficult markets. Real estate is also thriving, providing increasingly global real estate and investment services through industry leaders agent Colliers International (with their HQ in Vancouver), real estate investment managers Bentall and Penreal, and a viable set of captive insurance companies that should expand under more attractive IFC Vancouver tax rules.

ix. Fuel cells and alternative fuels
With global fuel cell leader Ballard in the region we have the wherewithal to build a potentially huge alternative energy sector. Ballard founder Geoffrey Ballard and a dozen others are working on extracting and distributing the hydrogen needed for fuel cells, while Westport Technologies has given new life and uses to diesel engines. Fuel Cell Canada, Methanex and numerous research efforts are further spurring fuel cell initiatives and other alternative energy sources. BC Hydro has helped to through its
new policy of buying electricity from other producers, which gives a significant boost to the co-generation initiatives planned and underway here.

X. Deep sea exploration and submersibles
This is another oft-mentioned if small sector, which is a renowned global leader. There is great expertise here and the ability to leverage it elsewhere (metals and materials; marine industries generally; aerospace; and the like should be explored).

xi. Value added wood products
This area continues to get great attention in the press and frequent support from governments, labour and business. However the phrase “value added wood products” is not well defined. Despite this vagueness, there clearly is a successful remanufactured wood sector already in BC and especially in the Vancouver region, and lots more could be done in concert with highly skilled wood crafts people, furniture designers and makers, and our existing door, window and moulding sector.

b. The Less Obvious
i. Health care
With all of the headlines and concerns expressed about our health care system, we often lose sight of the fact that it is still excellent and highly competitive both in terms of costs and quality. The large, excellent and growing biomedical research activity and the equally excellent IT development in the region, combine with our current low cost and high quality care base, to suggest that there is every reason to believe that we can make the export of broadly defined health care services an important foundation element for the regional economy. Full fee paying international patients represent an excellent way for the health care system to get needed additional revenues, meet the rules of the Canada Health Act, encourage innovation, fund costly new equipment, and raise the region’s international standing even further.

ii. Education at all levels
Universities, colleges, school boards and private schools (primary, secondary, language schools and colleges) have all been pursuing international students aggressively. In Australian universities, for example, international students represent up to 40% revenues. Despite the boom in international student admissions and the highly competitive international student marketplace, Vancouver’s educational institutions have been very successful in attracting excellent international students who pay full cost recovery tuition fees, internationalize institutions, pay room and board, and often lead to additional tourism spending by relatives and friends. Education and health care have similar indirect benefits for the economy and might well be marketed and conceptualized together.

iii. Value added foods and food products (berries, hothouse vegetables and herbs, mushrooms fish, shellfish, tree fruits)
The Vancouver region has built a solid land intensive high value added agricultural and food products such as the highly successful hothouse vegetable and flower operations,
mushrooms, seafood and fish products, and wines. The sector has enormous upside as consumers globally seek fresh high quality food products.

iv. **Producer services (accounting, consulting, etc. especially for new ventures, mining, etc.)**

Vancouver is the home to the most diverse and sophisticated array of so-called producer services in Western Canada. A vast array of accounting, finance, real estate, legal, IT, health, engineering, and business consulting services exist to serve the local business community and also parts of Western Canada and the US, the Asia Pacific, Europe and increasingly Latin America, notably Mexico, Brazil and Chile. These high services represent another strong export opportunity given the high quality of life in the region and its ability to attract and retain the professional that comprise these service sectors.

c. The Seldom-Mentioned

Below appears a set of seldom-mentioned high potential sectors along with the rationales for the opportunities they represent.

i. **Maritime construction industries:**

This sector garners its fair share of media attention, but usually when asking for government subsidies and or preferential access to contracts for provincial ferries, and federal Fisheries & Oceans, Navy and Coast Guard ships. Despite claims of being high cost shipbuilders this is a sector that should in principle thrive given the scale of Vancouver’s ports, fishing fleets, recreational boating activities, and provincial ferry requirements. The industry has achieve success in innovative design and aluminum welding and construction skills as a result of the Fast Ferry debacle, know-how that can and should be extended to meet the growing demand for aluminum fishing and pleasure boats, office and retail building components and structures, additional SeaBuses and ferries, and tugs and barges. The cry from the sector that high labour costs and a prickly labour climate make it uncompetitive, do not ring true: Italy still builds the best cruiseships and Australia does fast ferries, and neither can boast low labour costs or a peaceful labour environment.

ii. **Maritime services: skip whining get, a business plan**

Beyond shipbuilding and related construction, the broader maritime services area should be successful. The International Maritime Centre and the several large ship owners it has attracted provide a solid base. So does considerable knowledge of maritime law and insurance. Again, in view of the enormous and growing scale of our ports, and the cruiseship, fishing and recreational boating sectors, sufficient local demand exists that should enable the maritime services sector to grow to service not just the Vancouver region, but Seattle, Portland and Alaska as well.

iii. **International agencies, NGOs and charitable foundations**

From time to time, it has been suggested that Vancouver seek to attract international government agencies. The Asia Pacific Initiative proposed this in 1988, and the Vancouver Economic Development Commission has also expressed some interest as
part of its efforts to expand headquarter offices in the region. The area has significant potential but needs some significant support from the federal government to be viable: federal agencies (CIDA, EDC, Pacific Fisheries and Oceans), expanded role for YVR cargo and passenger continuation rights; consolidated ports.

iv. **Design industries**
British Columbia is home to a surprising density of professionals in the design industries, used here to include: architecture, landscape architecture; naval architecture; interior design; graphic design and commercial art; clothing including shoes; set and scenic design; new media design; and small wood products. In the aggregate there is considerable expertise and great scope for interaction and leveraging these various design skills in combination to address other complex design issues. Raising the profile here through a Vancouver Design Industries Association with a site (like the famous Blue Whale Los Angeles) could provide the visibility, interaction and critical mass needed to propel these industries forward as major export sectors. Our architects and engineers excellent export experience that could be emulated by others to help grow the sector and its supporting educational and client infrastructure.

v. **Culture and the arts**
We had an excellent demonstration of just how well we could do on this front when the Ford Theatre was in full operation along with the Canucks, the Grizzlies, the VSO, the Vancouver Opera, the Folk, Jazz and Vancouver Festivals and much more. There is absolutely no reason why culture and the arts cannot once again be a key export sector for the region. If very small cities like Merritt, BC can attract 100,000+ attendees at a weekend long Mountain Music Festival each summer, there is no reason why we can’t be the gateway to that and at least a dozen other summer music festivals around BC along with leading similar activities and drama and curated gallery exhibitions in the slower winter months. There are immense cultural resources in the Vancouver region and BC more generally and coordinating, cross marketing and extending their scope can be a very successful export strategy for Vancouver and for 250 as it is getting to be known.

vi. **Wood and pulp machinery and technology in a sustainable world**
At one time, Vancouver was a leader in saw milling and related wood processing machinery. With the abundance of IT, and engineering, and other resources available in Vancouver now, this former position of leadership in wood products machinery and technology should be easily attainable and a powerful source of economic growth in the future. The pressing need to develop environmentally sustainable harvesting and fibre use technologies should provide a further edge for this sector into the future if it responds to these pressures effectively.

d. Sum: we can do anything we want working together strategically
Vancouver really has a stellar array of options open to it for the future. We have taken a local tourist industry and turn it into a global powerhouse. We are at the cutting edge of a variety of biomedical and life science areas. We have become an important and
highly competitive air and shipping hub, just to cite a few areas where concerted strategic action has paid off handsomely.

Moreover, in view of the following exemplary successes of quite small and disadvantaged urban centres, there would seem to be no limit on what we might achieve. Specifically, Whitehorse, YT roasts coffee and makes high tech snow-gauges and sells both globally. Elliot Lake, ON is a leading centre of expertise on retirement community development and community economic development. Tiny Liechtenstein makes globally renowned Hilti power tools and is a financial centre of some standing, while back in BC Vernon has been a successful producer of ski clothing and heavy-duty custom-made trucks. Iceland prospers on its fishing know-how and the high tech spin-offs it has spawned such as highly accurate remote weighing of fish catches.

The lessons to take from these and dozens of similar unlikely successes in cities with few of Vancouver’s assets, is that we can create the economy we want, we just need to understand that anything is possible once we know what we want to be, and if we work together, business, labour, government and universities with a broadly based vision and clear strategy. Such a vision and strategy elements are spelled out above to begin the process of actively choosing our economic, social and sustainable environmental futures.
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