Economic Reconversion and Community-Based Mobilization in Montréal

Zusammenfassung

Résumé
Ce texte porte sur les grandes tendances qui affectent l’agglomération de Montréal en termes de développement économique et industriel. Ces tendances sont le résultat de deux facteurs dont l’action est combinée, soit la mondialisation économique et la mobilisation communautaire. Le travail suit quatre étapes. D’abord nous examinons rapidement la situation de l’agglomération de Montréal, en comparant la situation des banlieues avec celle des quartiers péri-centraux et en insistant sur l’”effet de beigne” qui oriente l’évolution de l’agglomération. Ensuite, nous nous référions rapidement au lien entre innovation et collectivité, en rappelant les éléments importants qui constituent ce qu’il est convenu d’appeler les “milieux innovateurs”. Dans un troisième temps, nous examinons trois exemples qui nous enseignent sur la dynamique sociale dans les quartiers péri-centraux de Montréal, où les acteurs économiques et sociaux se mobilisent afin de revitaliser le milieu. Puis, pour terminer, nous proposerons un modèle qui fait le lien entre la mobilisation sociale et l’innovation et qui postule que l’innovation sociale est une condition pour l’innovation technologique et la reconversion économique des espaces en déclin.
The research project on which this article is based analyzes the role of territorial factors in economic reconversion, and, more particularly, in the processes which lead to innovation. We pay particular attention to the case of Montréal, but our approach is global. The situation of Montréal is examined in the light of the theories and concepts which attempt to explain the existence of certain "innovative milieus". In this work, we will discuss the reconversion projects of certain former industrial zones which have become obsolete by the process of deindustrialization and the expansion of the service sector since the 1980s. These areas correspond with those commonly known as "losing regions", in contrast, of course, to regions considered as "winning" (Benko/Lipietz, 1992). However, it is possible to observe a renewal of dynamism in these areas, where a large number of projects of varying importance seem to foster a new partnership-type developmental culture (Hamel, 1991). In this new culture, class contradictions seem to be tempered by the importance of geographical identity, which leads to the emergence of a territorial consciousness in the socio-economic actors (Klein, 1998).

The explanations concerning the factors which make certain regions "win", do not enable us to explain this renewal of vitality. These explanations are coloured by what appears to us to be an extreme fatalism and they give far too much importance to market forces. They leave little place for collective action designed to counteract these forces. Moreover, they neglect the activities of a social or cultural nature, which may appear to be non-productive but are nevertheless necessary to the reconversion of zones in decline (Bassand, 1997; Moulaert et al., 1994). In order to avoid these biases, our project takes an approach which is intended to be global and multi-disciplinary. We combine economic, geographic and sociological perspectives. Moreover, we emphasize the links between the characteristics of the collectivity and economic innovation.

Our paper will therefore proceed in four stages. First we will rapidly examine the situation of the agglomeration of Montréal, comparing the situation of the suburbs with that of peri-central areas and insisting on the "donut effect" which largely influences the agglomeration’s evolution. Next, we will refer rapidly to the link between innovation and the collectivity, highlighting the important elements which make up the "innovative milieus", as they are commonly known. Thirdly, we will examine three examples which illustrate the social dynamic in the peri-central areas of Montréal, where the social and economic actors are mobilizing in order to revitalize the milieu. Finally, we will propose a model which links social mobilization and innovation and which postulates that social innovation is a condition for technological innovation and the economic reconversion of declining or deindustrializing zones.

Montréal in the face of crisis: from donut effect to social mobilization

The literature on the problematics of Montréal’s development is abundant (Remiggi and Sénécal, 1992; Tellier, 1996; Bryant/Manzagol, 1998). This literature
shows that Montréal is in decline and that this decline is explained by three major
types of factor:
1) First of all, the situation of Montréal as part of North America. The Montréal
agglomeration is part of the greater industrial region of the continent’s North-
East. As an integral part of this region, Montréal is now experiencing the effects
of the shifting of the center of gravity of the continental economy towards the
South-West, i.e., towards what is called the Sun Belt (Thibodeau, 1996).
2) The second order of factors concern the current global situation in Canada,
whose economy cannot manage to reach the growth rate of its Southerly neigh-
bour. And this delay is greater in Quebec’s case (Tremblay, 1995). With unem-
ployment rates of 8.3%, 8.5% and 11.3% respectively, Toronto, Vancouver and
Montréal are situated at the tail end of the list of North American agglomerations
(Trottier, 1996).
3) Thirdly, there are the explanations concerning the change in the status of Mon-
tréal in relation to both Canada and Quebec. The agglomeration has lost its role
of Canadian economic metropolis in favour of Toronto, and its growth seems
now to be linked to a role of a Québec institutional and economic metropolis
(Sénécal/Manzagol, 1993; Proulx, 1997). Thus its dynamism depends more and
more on the economic affirmation of the Québec business class and on its interre-
lations with the rest of the province’s economy.

These three orders of factors affect the internal structure of the agglomeration’s
economy and the strategies which actors follow to ensure its reconversion. In-
vestments move, sometimes within the agglomeration, at others, towards the
exterior, provoking on the one hand the decline of certain areas, especially those
situated around the city center, which here we have called peri-central
(Klein/Fontan et al., 1998), and on the other, the growth of new productive and
residential zones in the suburbs. This is known as the “donut effect”, a term used
in Montréal to describe the form which the urban spread takes at the expense of
its center and hinterland which are in decline. This divergence between the eco-
nomic difficulties of the city center and the growth of the suburbs is intensified
in the case of Montréal by inter-municipal competition and the absence of an
efficient framework for consultation, despite the initiatives of certain politico-
institutional and socio-economic groups or organizations.

The decline of the downtown areas, especially those we have named here as
peri-central is visible to the naked eye: vacant spaces which are slow to be taken
up, important decreases in the commercial value of buildings, high rates of unoc-
cupied lodgings and office space, commercial arteries losing ground, so many
signs of the effects of a lasting recession, which lasted longer than in other North
American cities. It is said of Montréal that it has become the Canadian capital of
unemployment, poverty and exclusion.

However, a deeper examination shows us signs of a deep reconversion and al-
lows a glimpse of certain encouraging signs. On the level strictly of job creation
and investments, there is first of all the remarkable performance of certain eco-
nomic sectors geared towards export, such as the aeronautical, pharmaceutical,
transport material and telecommunications industries. But these sectors mainly
operate in the suburbs. As far as the city center is concerned, the existence of a
solid network of high level services and institutions as well as a rather exceptional standard of living for North America must be especially emphasized (Coffey/Drolet, 1994). To this must be added the progressive structuring of a community *milieu* (amongst which Community Economic Development Corporations, CEDCs) which is more and more involved in economic development (Hamel, 1995; Morin, 1997) and whose role deserves to be highlighted.

All kinds of organizations representing community *milieus* are forming in peri-central areas with the explicit goal of counteracting the market forces responsible for the deterioration of their habitat and ensuring a social vitality susceptible to become a development factor. Of course, the expansion of the associative sector is rather widespread in Western countries where various associations ensure a kind of sub-contracting in social management in response to the growth of neoliberalism and the disengagement of the State. But the phenomena we are discussing are different in our view. In this case, it is more a question of a fairly complete transformation of social movements, which lead its different expressions, from the trade union movement to the community action movement, to take an active part, economically speaking in development (Hamel, 1997; Morin, 1997). The Montréal peri-central areas have been the birth place of this new orientation of social movements (Hamel, 1991; Fontan, 1991; Fontan/Tremblay, 1994; Favreau/Ninacs, 1993). We are hence in the presence of a new type of social movement which combines collective action and economic investment and which mobilizes the local economic forces with the aim of producing development (Fitzgerald, 1991; Klein/Tremblay et al., 1996).

The emergence of this type of movement compels us to review the explanations of the tendencies which affect local and regional development. Several authors have attempted to explain the differences between the old industrial spaces which are declining and the new growing productive spaces by using a model which combines growth/decline duality with a spatial duality winning regions/losing regions (Benko/Lipietz, 1992). This model translates quite well the global characteristics boosted by market forces, which, under the guidance of globalization, favour the de-industrialization and the restructuring of urban agglomerations with the objectives of profitability of capital. Yet, it must be refined in order to take into account the reaction of local collectivities who live in these so-called losing regions and who aim to deflect these tendencies boosted by market forces (Fisher/Kling, 1993; Moulaert/Delladetsima et al., 1997).

The potential represented by this type of reaction must be observed in the light of the new development theories axed on the importance of the milieu as well as on the primordial role that the existence of dynamic and innovative social actors plays in structuring *milieus* (Vachon, 1994; Tremblay/Fontan, 1994). Let us therefore ask the following question: what is a milieu and what does it bring to economic development, notably to business creation? A rapid reminder of the conceptual elements elaborated by the various authors who contribute to the explanation of what we call "innovative *milieus*", taken in the widest sense, will enable us to answer this question.
Milieus and social innovation: the importance of the actors and of the territorial consciousness

The concept of "innovative milieu" has been developed as an explanation of the conditions favourable to the birth of the enterprise and the adoption of the innovation. First formulated by Aydalot (1984) and then developed by European teams, this concept postulates that the enterprise does not pre-exist in innovative milieus, but that it is fed and nurtured by them. It results from the inventiveness of the milieu, from its capacities to engender social innovation and technological innovations (Aydalot, 1986).

This vision converges with another perspective, that of industrial "districts". It was Becattini who, in stating that the type of development observable in what is called the third Italy, characterized by the diffusion and multiplication of small and medium sized businesses inter-linked by relations of cooperation and competition, established a likeness to the industrial districts evoked by Alfred Marshall (1897) and placed the foundation stone of an explanation which Pierre and Sabel (1984) contributed to diffusing across the planet. The notion of industrial district emphasizes the important potential of endogenous development of a collectivity where the population and businesses have complementary links (Becattini, 1992), a potential which is realized when certain activities of cooperation and partnership can take place (Klein, 1992). The links between businesses are completed, even framed by systematic links between the latter and local institutions, which contributes to fostering local regulations, often tacit, which the latest interpretations describe as conventions (Storper, 1997).

Industrial districts and innovative milieus, here are two perspectives which explain what the milieu brings to business, and therefore to economic development. First, by the organization of functional and informational inter-dependencies, the milieu contributes to the reduction of the degree of incertitude which may confront businesses. In addition, productive collaboration allows small and medium sized businesses to benefit from savings on a scale equivalent to those of a large company, while continuing to allow greater flexibility. Moreover, these inter-relations favour the development of a know-how and the acquisition of a technical culture. Next, the milieu supplies the organizational means to be placed in mainly worldwide networks (Maillat, 1992; Quevit, 1992).

The milieu is therefore the result of a system of actors, structures and institutions in interaction. Organizational practices, the way in which techniques are used and the market is approached, know how and professional culture, the institutional fabric, the respect of certain conventions by the actors, these are all elements which characterize a milieu and which determine the ease with which it produces innovation. Its structuring results from a series of formal and informal relations, both explicit and tacit, between businesses and between them and their environment, whose nature is cultural as well as productive. The milieu is more than the simple juxtaposition of production units; it corresponds to a group of links between political, social and economic instances in a collectivity (Crevoisier, 1994), a grouping of links which enable a local and flexible regulation of social relations (Klein, 1992).
This perspective brings in the intervention of the notion of territory, which acts as a privileged development factor. It is because the actors are linked to a territory that they are linked among themselves, and that they can generate a collective cognitive process which engenders social, political, cultural technological, administrative and economic dynamism (Becattini/Rullani, 1995). The territory is both the result and the means of the reproduction of the relationships between actors, institutions and structures.

The peri-central districts in Montréal: community mobilization and social innovation

As we saw above, two tendencies have characterized the Montréal agglomeration over the last two decades. On the one hand, it has largely been de-industrialized while various categories of services profited, and these now account for three quarters of all jobs (Coffey/Drolet, 1994). On the other hand, it has spread through several rings of suburbs. This double movement follows the changes in citizens' lifestyles as well as the appearance of new productive activities whose demands are more easily satisfied on the outskirts than in the center. The big losers of these economic and demographic movements are the peri-central districts. Although these districts are still occupied by a significant part of the Montréal population, they are going through an acute demographic crisis. Between 1981 and 1996, the population of these districts greatly declined, prolonging a process begun in the seventies, partly due, moreover, to urban renovation operations which affected some of these areas (Hamel, 1991). On the whole, these districts have lost around 10% of their population. This decline is all the more significant as the overall population of the agglomeration has risen by about 10%.

The spreading of the urban habitat is not a new phenomena in Montréal. On the contrary, it is mainly the effect of a productive economy which, over very distinctly different periods, has always been associated with the evolution of transport routes. In the first period, from the second half of the 19th century until the second world war, the construction of major rail and port transport infrastructures gave the city powerful factors of industrial and residential localization, which enabled Montréal to bear the title of the principal Canadian economic metropolis up to the sixties.

After that, the railways decline in favour of highways and truck transport, which affects the dynamism of the first industrial districts and opened the way for the development of new sectors such as the automobile, aeronautic and pharmaceutical industries, located in the suburbs. In parallel, the city center, and especially its peri-central districts, was affected by a process of "economic de-vitalization" and "social disintegration" which made it particularly sensitive to the effects of recession and economic crises.

In addition to being prey to demographic de-vitalization, these districts are inhabited by a population which is experiencing important economic problems, as is the rest of Québec (Tremblay, 1995), but in much higher percentages. The unemployment rate is way above the Québec average, which is itself already higher than
the Canadian average. Moreover, the number of jobs has diminished, which has also had its effect on residents’ incomes. Low incomes and job losses are at the root of considerable social difficulties. The percentage of people with income of less than 10,000 Canadian dollars per year is higher here than in the rest of the city. The percentage of one-parent families is over 30%, in some places over 40%, while in the agglomeration as a whole this percentage is under 25%. The same situation is revealed by the figures concerning residents’ schooling. The percentage of people who have less than 9 years schooling is higher here than in the agglomeration as a whole.

The gravity of the problems affecting the peri-central districts has not been slow to cause a social riposte from social and political actors. On the one hand, from the end of the seventies onwards, Montréal’s municipal administration, with other government levels, has planned a series of projects to slow down the de-vitalization of these districts. Elsewhere, the communities themselves are reacting, setting off social mobilizations which should bring a new dynamism to their districts, demanding the necessary resources from the state to ensure their re-vitalization. One of the principal results of these mobilizations lies in the creation of Corporations of community economic development (CEDC) (Fontan, 1991; Fontan/Tremblay, 1994; Morin/Latendresse et al., 1994). In addition, numerous corporations and associations of a more sectorial and limited nature are being set up to favour local development, certain as a direct result of the CEDCs and others in a more autonomous fashion. This associative network constitutes the basis of a bottom-up social economy, thus following a tendency which could soon influence the whole of the Québec economy (Fontan, 1997; Guay, 1997). In order to illustrate the importance of this network, we will examine three examples. The first corresponds to the CEDCs themselves, which we will present as a sort of institutionalization of social mobilization, linked to but also in contradiction with the state. The second is the Angus development society, which constitutes a case of involvement from the community milieu in the voluntary reconversion of an important district of Montréal. As for the third, it bears on the Faubourg des Recollets, a zone where social mobilization is combined with the implantation of a new type of private enterprise, thus facilitating the reconversion, more or less spontaneous, of one of the districts most affected by de-industrialization. This has led us to observe three aspects, three types of processes, three scales of initiatives, through which it can be said that innovative milieus are developing and being structured in declining districts.

Corporations of community economic development (CEDC):

a breeding ground of social innovation

After a first stage of social experimentation in certain districts (Pointe-Saint-Charles, Centre-Sud and Hochelaga-Maisonneuve), the CEDCs are becoming a generalized structure of concertation for the whole of the city of Montréal, operating within the arrondissements. The modalities of the CEDCs’ interventions are evidently different according to the characteristics of the milieu, but also according to the depth of their social anchorage. It remains that, everywhere, but especially in
the peri-central districts, their birthplace, the CEDCs are becoming unavoidable actors for economic development (Favreau/Ninacs, 1993). They constitute interlocutors representative of the milieu in so far as all social layers are represented. However, it goes without saying that the exact orientations of each corporation depend on the representation, even the force of each social group in their directing organization (Morin, 1995).

The main characteristic of the CEDCs is that they operate in the name of a local community and not only of their members (Favreau/Ninacs, 1993). Thus, taking into account the serious economic problems which affect the communities they represent, their first mission, common to all the CEDCs, rests in the defense of the groups affected by economic delocalization and their reinsertion into the labour market. Their first actions take the form of job creation and training projects, carried out with the aid of municipal and governmental grants. But progressively, these corporations adopt more elaborate strategies, penetrating the investment universe, in partnership, of course, with public government and municipal institutions, but also with private local institutions and businesses (Fontan, 1994; Favreau, 1995). The CEDCs are financed by various government and municipal institutions. Their actions, multiple of course, follow three major axes: concertation, employability, and services for business.

Concertation is one of the principal strategic objectives of the CEDCs. The collaboration of different types of actors and the local negotiation of their interests doubtless constitutes a first step towards the mobilization of the actors in accordance with the revitalization of their community. In fact, conservation enables the actors to meet each other and discover their objectives in common. Although concertation is inherent to all the actions of the CEDCs – they were all created for this – certain projects make this a specific objective. Moreover, certain CEDCs have become associated with others, creating inter-arrondissement and inter-institutional networks.

The second major mission of the CEDCs concerns the reinsertion of the unemployed into the labour market. In parts of the city ravaged by unemployment and by business shutdowns, this preoccupation is translated by projects which target "employability", i.e., qualification of individuals so that they can reintegrate a job market in accelerated restructuring. They offer information, reception and reference services about job opportunities. In addition, they organize or are associated with projects aiming to ensure training for the jobless. The systematic exchange of information between the CEDCs concerning job offers allows the creation of a wider pool of information. Thus, people seeking to reinsert the job market have access to a network of information, the primordial importance of which in job searches is known, and which because of the precarious nature of their situation of social exclusion, is lacking.

Projects for job training targeting the reinsertion of the unemployed to the job market are generally offered in collaboration with local non-profit organizations and are supported by grants from the "Fonds d’adaptation de la main-d’œuvre" (FAMO), and the "Fonds d’adaptation de la main-d’œuvre des quartiers défavorisés" (FAQD), created by the "Société québécoise de développement de la main-d’œuvre" (SQDM), which has now become Emploi-Québec (Quebec Department
for Employment). In this way, the CEDCs are complementary to the service furnished by public institutions and contribute to match these training courses with the needs of the local community concerning job searching.

The Third mission of the CEDCs concerns support for entrepreneurship and business creation. Although crucial, this type of intervention is much more arduous and experimentation is still taking place. However, it can be emphasized that a first type of service offered to businesses by the CEDCs concerns information and training. In addition, certain CEDCs also provide financial support for local businesses, thanks to the management of funds which come from the "Fonds de développement économique de Montréal", the "Fonds d’investissement régional" and the "Association communautaire d’emprunt de Montréal". A recent inquiry showed that the CEDCs have more than a negligible influence on local entrepreneurship. Businesses which have links with the CEDCs involve more often local residents, seem to be more stable and are more actively involved in their milieu than those which do not have links with them (Morin, 1996).

It is important to underline also that certain CEDCs explore strategic routes susceptible to attract major economic investments and to channel the local joint ventures which may arise from these investments. Of course, this kind of project is difficult to put into action. They demand wider concertation than the CEDCs and the district and require higher financial resources. But by their characteristics, these are structural projects which may have important consequences for the Montréal economy as a whole – they deserve to be examined more closely. One of these projects is the Angus environmental technopark, called "technopôle environnemental" in the Rosemont District, which we will analyze in more detail below.

The Angus environmental "technopole": the community is in business!

For five years now, the district of Rosemont, one of the former industrial areas of Montréal, is the stage for a major economic reconversion project. This is the use of a lot left vacant by the closure of the "Ateliers Angus" factory (known as the Angus Shops) in 1992, with the aim of creating an industrial park which can act as a development locomotive for the entire industrial zone situated along the Canadian Pacific (C.P) railroad. It is therefore question of an intentional reconversion experiment, but, contrary to the classic voluntary experiments, where the principal actor and creator is the government, here, the instigator and project overseer is a local organization, created by the milieu. It is the "Société de développement Angus" (SDA), which gathers the districts’ principal actors and which was set up by the CECD of Rosemont-Petite Patrie (Fontan/Yaccarini, 1996; Klein/Waaub, 1996).

The "Ateliers Angus" factory (from now on Angus), belonged to Canadian Pacific, one of the major Canadian holding companies, operating, amongst other domains, in railroad transport. It was the main business in the district which, by its presence, it had helped to build. Its closure marked the climax of the decline in Canadian Pacific’s railroad transport activities in Montréal and of the progressive dismantling of its railroad, a road which had moreover structured what had been at the beginning of the 20th century one of the city’s main industrial corridors. Al-
though the railroad is still used and several industries are still active – the corridor employs around 20 000 people, especially in the textile industry –, large quantities of equipment such as the sorting yards, repair shops and the secondary lines have become useless. Along the line, the heavy machinery is dismantled or on the point of being so, and numerous factories have left the area, leaving the residential sector, especially the parts closest to the railroad, in a state of disintegration. The result is even heavier to bear given that these lots are also polluted.

Angus worked on the building and repair of locomotives and wagons for the railroads, employing between 2000 and 7000 at different periods. At its height, during the second world war, the complex employed 12 000 people making weapons. Active since 1904, this company was innovative on the technological and labour force management levels. Typically Fordist, this factory was one of the first in Montréal to associate taylorism, production line work, high salaries and personnel benefits (equipment, leisure activities etc.), and its history is scattered with epic labour conflicts. Extremely productive and efficient during the first half of the century, it began to decline during the sixties. In 1974, while the different productive units began to be dismantled, it already only employed 1000 people. This dismantling continued until January 1992, the moment of its complete and permanent closure.

The closure of Angus posed the problem of reconverting the sector and especially the site on which it worked. At the outset, it occupied a lot of about one million square meters, which is quite large. However, by 1974, C.P. had already transferred half this lot to its Marathon branch, a real estate management company, which suggested building a major shopping center and a residential sector aimed at a well-off clientele. Because of the consequences that this project would have had on the cost of local rents and on the commercial structure of its major arteries, its presentation in 1976 set off immediate opposition from residents and trades people alike. These actors mobilized against C.P. to quash the project, involving along the way the city of Montréal and the government of Québec. Finally, in 1982, after more than six years of pressure and as the result of a consensus obtained between the residents of the local milieu, the city of Montréal and the Government of Québec, these lots were sold to a para-municipal society, and it was agreed that the real estate development of the site should contain 40% social housing destined to low-income families. However, the problem raised its head once again in 1992 when the closure of the rest of Angus "liberated" almost five hundred thousand square meters of land.

The debate once again opposed C.P. and local actors, now represented by the local CECD which, since its creation in 1989 grouped representatives of various socioeconomic sectors (business, unions, the associative milieu etc.). C.P., the owner of the site, in the wake of its previous project, promoted a multifunctional type development which privileged both residences and department stores, which would require an amendment to the city’s zoning rules, because the site was classed as industrial. As for the CECD, in what might be seen as a change of direction in relation to the former demands of local actors, it favoured the maintenance of the industrial vocation of the lot.
Faced with the evident refusal of its option, C.P. undertook negotiations with the CECD concerning the future of the site. The CECD became the spearhead of a vast mobilization of the local milieu whose objectives, although numerous and even divergent in certain cases, converged on certain points. The population wished to recuperate the feeling of belonging that it had once had. It wanted the lot to conserve its industrial vacation. It demanded the creation of jobs for residents.

Represented by the local CECD, the milieu proposed relaunching industry in the sector by implanting an industrial park on the site of the Angus shops. This park would become, according to the CECD’s project, the motor for a localized productive system. In May 1994, the CECD received the mandate to acquire the lot, during a public assembly. A sign of the times, there was no open confrontation as in the seventies, but rather negotiations. The two players came to an agreement in September 1994, according to the terms of which C.P. ceded the management of half the lot to the CECD for ten million dollars. The other half would become residential and would be promoted by C.P.’s real estate subsidiary. C.P. undertook to decontaminate the site, install the missing infrastructures, such as water mains and sewers and to lengthen a road dividing the two halves. These works would be realized with financial aid from the federal government. C.P. would also pay the property taxes up to the start of the park development works.

The transaction was completed in March 1995. It was then announced that this land would become a park for companies specializing in environmental technologies, the management was taken over from then on by an independent corporation, representative of the milieu: the "Société de développement Angus" (SDA). The transaction was financed through the intermediary of a property trust with the participation of the local economic actors, including the credit unions, banks, Hydro-Québec, other companies and of course, the CECD.

The experiment is still in the planning stages. The ADS has ensured the control of the land, has produced a strategic development plan which contains a plan for the conversion of the site, and has undertaken steps to find companies susceptible to move to the technopark. In parallel, to ensure that the local population will be able to benefit from the project’s effects, another organization called “Comité de relance Angus” has come to life. Its mandate is to foresee the measures needed to train the local labour force. Made up of 19 members representing a wide range of partners (business, associations, institutions, unions, etc...), this committee has elaborated a strategic plan for the adaptation of the work force which touches, amongst other things, on environmental type training and entrepreneurship. These works have been realized in connection with the organizations and institutions in the community which has given rise to a wide consensus around its proposals.

The construction of the park will be achieved in several stages, over a period of ten years, the first being the building of a multi-rental industrial mall type complex costing 10 million dollars. Largely inspired by the concepts of industrial district and innovative milieu, this project targets both at local development and the insertion of the technopark in a major North American technological network. The technopark offers more than an industrial site. It emphasizes a prestigious environment, a central location, a physical and social project aiming for synergy and a network of high level institutional and business partners, coming from all over
Montréal (and not only the immediate area). Thus the resistance of local actors to a project which according to them would de-structure the milieu and their decision to promote a project which has permanent multiplying effects on the network of local businesses and on the population has contributed to the re-vitalization of the milieu, to the creation of representative institutions, to the elaboration of new projects, and finally to an ensemble of social innovations susceptible to provoke economic development.

Community mobilization as a complement to entrepreneurial action: the Faubourg des Recollets example

The area known as Faubourg des Recollets constitutes a case of industrial reconversion where spontaneous and voluntary aspects are combined, and where, a little by accident, as Provost (1997) underlines, the City of Montréal and the milieu have worked together around a development structure. As in the case of Rosemont, this district is part of the industrial ring which surrounds the urban center. In fact, it constitutes the cradle of Montréal and Canadian industrialization. Its roots go back to the 1830s but it was between 1880 and 1930, when it received the industrial structures issued from the construction of the new transport routes such as the Grand Trunk, Victoria Bridge, and especially the Lachine Canal, that it stood out as a major industrial district. The foundries, power plants and warehouse infrastructures (cereals, refrigeration, salt, coal, etc.) developed spectacularly, replacing the first craft industries and residential buildings from its beginnings.

A real entrance point for the canal, the localization factors which explain this district’s boom are related to the port. And it was these same factors which motivated its decline. Largely dependent on the Port of Montréal, and therefore on import and export activities, its economic activities were reliant on the economic crises, macro-economic policies and technological changes which reduced the role of the Port of Montréal in the Canadian economy. Thus, after the war, the district entered a phase of decline. This decline intensified with the opening of the Saint-Laurent Maritime Route in 1959 and the subsequent closure of the Lachine Canal.

The companies which had set up there, attracted by the port and by the canal, closed or moved away and were nor replaced, leaving the area in a dilapidated state of total social destructuring. This situation was accentuated by the soil contamination produced by over a century of heavy industrial activity. Moreover, the construction of certain transport infrastructures such as the railroad in 1933 (Canadian National) and a highway in 1965 (Bonaventure highway) cut the area off from its immediate environment, isolating it from other parts of the city from which it took its identity. After losing its businesses and its jobs, the district lost its soul, its memory and its residents.

In 1980, the district had all the characteristics of a devastated area – most of which are still present today despite the obvious signs of regeneration –, where the remaining buildings are occupied by squatters and the rest have been replaced by parking lots (37.5% of the land). A few craftsmen or artists rent or “borrow” some of the former warehouses. But the majority of the real estate has been abandoned.
Services are non-existent and the resident population is marked down as being on
the fringes of society. The area gives the image of being a no man’s land, according
to Sénécal/Rose et al. (1996).

Preoccupied by this situation, the city civil servants decided to act and to recon-
vert the district. Between 1989 and 1992, the municipal administration acquired a
fair part (over 80%) of the real estate (land and buildings) in the district in order to
redevelop it and to attract a new population into the central areas. With this end in
mind, the development of what is known as the “quartier des écluses” (Lock dis-
trict) was planned, which according to the city’s predictions, should have con-
tained 2 000 high quality residential units. Obviously, that would have entailed the
destruction of the former industrial structures and their replacement by a new
residential morphology.

The idea of the “Lock district” was not a totally bad idea, because the district’s
situation, close to the center of Old Montréal is attractive, especially for a high
income aging population who wish to leave the suburbs to move back to the center.
But the concept is impracticable. On the one hand, in the whole of the agglomera-
tion, and in the city in particular, the supply of lodgings outstrips the demand,
which makes promoters less interested in this kind of project. On the other, heri-
tage protection rather than its destruction is the order of the day. These two con-
straints delayed the putting into operation of the plan.

While waiting, the city rents the buildings at low rates to artists and craftsmen
who benefit from the central situation, cheap housing and the work space they
lack. However, these artists have become attached to their district. Therefore they
have attacked the municipal project, which would amongst other things, entail
their expulsion.

The need to revise the municipal project has thus become evident. A new project
has therefore been drawn up, this time with the support of the residents. This new
project targets the re-affectation of the old buildings for residential purposes with
the aim of preserving historical memory. This fact is important, and we should
spend some time on it, as curiously, this so-called historical memory is in reality
associated with a recently constructed identity. The term Faubourg des Recollets
did not at first refer to this district, at least not to the whole of the territory it in-
cludes today. The Southern part belonged to another larger district called “Griffintown”,
from which it was progressively separated by transport infrastructures
which grew up as barriers (the Bonaventure highway and railroad). Moreover, the
present residents have nothing to do with the district’s former activities, which
perhaps explains the facility with which they display a recently constructed iden-
tity. The fact is that this new identity has proved to be a mobilizing force for the
local actors and attractive to exogenous businesses.

Parallel to the municipal action, from 1985 onwards, new businesses have moved
into the district. The combination of old and new, or of modernity and post-
modernity which its new identity conveys, is proving very interesting for economic
activities associating the arts, new technologies, and business services. Several
large businesses such as Coscient and Discreet Logic (600 employees), but espe-
cially a myriad of small businesses associating art and technology and combining
industrial activity and high level services have been implanted there, hence con-
figuring a kind of industrial district. More than half of these companies (56%) arrived after 1991 (Groupe Espace-Temps, 1997). Largely polarized by the multimedia industry, undergoing explosive growth since 1995, these businesses move into the former industrial buildings, renovating them yet conserving their former glory.

On the other hand, the new residents of the district, craftsmen, small industrialists in various domains, artists who benefit from the financial and environmental advantages of the district, have united and formed a development corporation: the "Agence Faubourg des Recollets" (AFR). Formed in 1997 and gathering around forty members, mainly entrepreneurs, this organization is seeking to become the authorized citizens’ representative with the city and other participants contributing to the district’s redevelopment, a role which is not always recognized. It has nevertheless become an unavoidable actor in the district’s transformation because the residents it represents are motivated by a profound interest in revitalizing the area (Sénécal/Rose et al., 1996).

The districts’ new dynamism crystallized in a partnership development strategy where the principal actors are the city and the local population, represented by the "Agence du Faubourg des Recollets", but in which other socio-economic actors both public and private participate. This strategy rests on two principles which have consensus: the respect of the mixed nature of land use and the functions (residential, services, industrial) and the construction of a crossroads between arts and technology.

This process of reconversion seems to be well underway. The district presents characteristics which could transform it into an innovative environment. The new businesses acting in the high technology domain and functioning on a North American scale, constitute a not insignificant critical mass and should act as a pole of attraction for other establishments. Moreover, the area is progressively changing its image. Its identity now bears positive connotations. And the proximity to Old Montréal and the old Port, sites of intense recreational and tourist activities, and to the Lachine Canal, which the city is currently beginning to exploit again, also for recreational purposes, should make the reconversion easier. The challenge is that this be done while respecting the resident population’s interests. The negative effects of gentrification experiments on the residents must be avoided. The “Agence” should pay careful attention to this.

Conclusion

Let us recall that we posed the hypothesis that the vitality of the actors in an environment is essential for innovation to develop on the productive level. Our case studies enable us to highlight certain elements which contribute to the definition of the institutional and social vitality of environments, even if they present the characteristics of a declining collectivity. This vitality corresponds to what we will call "socio-territorial capital", which we define as all the human and institutional resources that a milieu can mobilize in order to increase its development potential and to facilitate the fulfillment of the citizens who live in the territory.
It appears to us that socio-territorial capital is activated by the collective identity and that it depends on the territorial consciousness of the actors who work in a collectivity. It must however be recognized that territorial identity and consciousness cannot be decreed. Moreover, they are, as shown by the cases studied, more the result of collective actions, of social mobilization, than of a look back at the past. Identity is therefore constructed socially and is reinforced by the collective actions destined to counter the tendencies to destructuring provoked by globalization/delocalization.

In the cases studied, mobilization is an alternative to the destructuring provoked by the social and economic crisis which results from economic globalization and the changes it provokes concerning factors of productive activities’ localization. The collective actions taken by the socio-economic actors and by citizens affected by the delocalization of industry and job sources constitute a factor of social cohesion. It is the collective action that create the environment and not the reverse. They create social links, integrate excluded zones and create a social identity. The territory cements the environment and mediates the social links. The projects which spring from this as well as the organizations which are created to put them into action constitute innovations on the institutional and organizational levels, thus sowing the seeds of reconversion and development. Mobilization enables the activation of an environment’s socio-territorial capital (Moulaert/Delvaïnière et al., 1997).

It thus appears that the losing regions can thus change their fate. And it also appears that the innovative milieus are not only the product of business. This is demonstrated by the cases studied. Of course, the development of local environments necessitates contributions from the outside. But forcing partnerships and acting against the dominant tendencies, community mobilization finds its place in a wider process, which overflows the limits of the development of a district. On the one hand it redefines the limits of what is considered as the performing economy, by creating bridges between social action and economic action as well as between voluntary work and traditional financial enterprise. On the other, it influences the development of the urban agglomeration as a whole, by revitalizing the center. Obviously, the economic development of a large metropolis cannot be limited to community action, neither is it said that all community action should end in economic development. But it is a start, which moreover, seems necessary in the case of milieus which react to delocalization and globalization. The theory of development, notably as far as innovative milieus are concerned, should therefore take this into account.

Notes

1 An earlier version of this paper was presented at the conference “City, Suburbia, Metropolis”, held by the Association for Canadian Studies in German-Speaking Countries (Section of Economics), Grainau, Bavaria, Germany, February 1998. The authors counted on the collaboration of Danielle Bordeleau and Serge Rousseau, research assistants and doctorate students at the University of Québec at Montréal. The paper is based on a research financed by the Social Sciences and Humanities Research Council of Canada.
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2 These rates are for 1995. See Trottier, 1996.
3 Arrondissements are infra-municipal administrative units created by the city of Montreal. There are nine arrondissements including the Ville Marie arrondissement which is the city center. Five of these arrondissements correspond to what we call peri-central districts. Seven CECDs have been established in Montreal in as many arrondissements. This CECD - arrondissement equation has not always respected the specificity of the environments and in certain cases, has united collectivities which do not share the same feeling of identity, which has sometimes created problems and imposed compromises.
4 Such as the City of Montréal, the “Secrétariat au Développement régional”, the “Ministère de l’Industrie, Commerce, Sciences et Technologie du Québec”, the “Ministère du Développement des ressources humaines”, the “Société québécoise de développement de la main-d’œuvre” and the Federal Development Bank.
5 This part is largely based on a synthesis activity realized by Sylvain Provost, 1997.

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