

8 Strong Cities = Strong Province, One Large City = One Large City

8 Strong Cities = Strong Province, 1 or 2 Strong Cities = 1 or 2 Strong Cities. In a trade dependent small province, strong cities are a symptom of economic strength of the province rather than the reason for it. A strong network of cities results from export created wealth from the city hinterlands. A greater concentration of our population in a smaller number of larger cities is symptomatic of weakness and decline in hinterland export industries.

A popular view has interpreted the exceptionally strong growth of larger cities around the globe as evidence that cities are drivers of growth as centers of innovation and attractors of population. Scale economies from larger populations, spillover benefits from industrial concentration and innovation associated with industrial clusters means that bigger is better if you want to grow. For New Brunswick to benefit from this sort of urban growth we either need a single dominant city, or we need greater coordination, cooperation and networking of our eight cities so that in concert, they can mimic the advantages of a much larger, single urban center. But, it seems unlikely that this is the opportunity for New Brunswick. Nova Scotia has a single dominant centre of Halifax which is equal in size to New Brunswick's three largest cities yet there is no difference in GDP growth of the two provinces. Even if the entire provincial population lived in one city, then that would be at best a mid-size Canadian city.

An earlier theory held that cities could be growth poles where developing strong urban economies would spread growth out into the city's hinterland. This could support a nineteenth century view of urbanization where the industrial city created demand for rural hinterland food producers. But, New Brunswick's hinterland has not been reliant on the home market as the majority of what the hinterlands produce has been exported, and much of the food and goods the city dwellers need is imported.

Cities can be large and prosperous for a different reason. Cities concentrate the population and wealth of the hinterland. Historically, Canada's population was in rural areas and small communities that provided services to the local population. As transportation costs fell and expanded the hinterland of urban centers, services concentrated in larger centers and over time, so did population. Over time, the scale economies of larger centres usurped the hinterland of smaller centres further concentrating regional wealth in growing larger cities. In this case cities are the symptom of strong provincial growth.

With cities as concentrators of wealth produced in the hinterland, the strength of the economy is reflected in the strength of the cities. There is no necessary reason to have fewer cities since the emergence of a single dominant centre is more reflection of competitive advantages of service providers in those larger centers over smaller towns and cities. Strong cities from this perspective arise from strong economic activity in the city's hinterland, and the business costs and business climate allow service providers to compete to retain the wealth produced in their hinterland. It is worth remembering that during the 1960s with booming pulp and paper and mining, Bathurst was the province's fastest growing city.

Cities can also grow and be strong because of the collapsing hinterland economy. Labour without jobs in the rural areas or declining smaller communities migrates to the cities where the in-migration itself can sustain a growing retail and service sector and construction. But here the strong city is more akin to a lifeboat for the province than the engine of the provincial economy. Which city or cities grow, or even survive, will depend on the competitiveness of the city for attracting population and businesses over the other the location of the other urban lifeboats. In this situation there are no "spillover benefits" from

scale economies and success may arise more from being a monopoly site for core services like air transportation, health care, education, government services and so on.

Here we see a situation that emergence of dominant cities in the urban network can be a result of greater strength in the city's hinterland, or success in usurping hinterland income from smaller centers. This seems to be the challenge in New Brunswick today as the greater Moncton area booms while cities that have lost industrial producers processing hinterland resources have declined. Further, regions of the province that have not benefited from highway infrastructure investment, broadband infrastructure and robust demand for services have been losing business to places like Moncton.

Strong lifeboat cities in New Brunswick do not share the province's demographic challenges nor are they improving the province's demographic situation. Moncton, Fredericton and Saint John (CMAs/CA) are growing in size and income and they aren't aging any faster than the rest of Canada. Population aging is a problem for smaller cities with lagging hinterland economies and increasingly uncompetitive business conditions resulting in a "domestic offshoring of business services" to places like Moncton and cities in other provinces. Outside of the three big cities growth in total income and population is weak, populations are much older than in the cities and much of Canada and aging more rapidly. There are a couple of exceptions of course, notably Edmundston and to an extent Woodstock which on many dimensions including population aging and population growth, are closer to Fredericton and Moncton than to the rest of the province. They are also on the same four lane highway as those two big cities.

8 strong cities instead of two strong cities would signal that we have a strong province based on growth from strong hinterland export based economies and competitive business climates. Two strong cities is more likely a signal of economic malaise where the cities act as economic lifeboats.