Diversification and innovation – why Calgary is not in danger of becoming the next Detroit

By Bruce Graham

From our own Canadian history we know of places that are ghost towns today that were once boom towns. All the little quaint mining towns that grew up in the gold rush and were then abandoned as more lucrative claims developed at other locations. Or look closer to home, at the once thriving prairie towns that had grain elevators and railway stops. Some of those towns were abandoned when the trains stopped coming, rail lines and grain facilities were closed and then removed.

There are lots of examples historically but few that relate to what Calgary has become, or is. In sharp contrast, Calgary is a head office city, which Professor Arvai’s Detroit example does not take into account. Those head offices although concentrated in the energy sector are complimented by the diversity of transportation, Canadian Pacific and WestJet are stunningly obvious but there are others. The agricultural, retail and related services are well represented at a head office level. And a growing educational sector is a major economic factor here in Calgary as well, with three or four major post-secondary institutions, all with growing head office like presence here.

There is a thriving downtown in Calgary as the centre of business, culture, tourism, hospitality and governance, in contrast to the Detroit model, and herein lies the disconnect to Professor Arvai’s argument. Some have left downtown for the suburbs in Calgary over the years but others have backed filled, grateful for the opportunity afforded. This is a tradition proven over many decades of changing economic times.

In contrast, Detroit's deterioration, economic decline and social malaise spread from the inside out. As the inner circle began to rot, people moved out, abandoned literally blocks of real estate as crime and poverty took over, further speeding the deterioration. The process continued, over and over, throughout the inner city apparently irreparably weakening the tax base. Contrast that model with Calgary’s focus on urban core, walk-ability, more densification, gentrified and transit oriented development.

Community leadership in Calgary seems deeply committed to ensuring a thriving business core and a livable inner city not drawn to its far flung corners to invest as the professor has seemingly suggested. The pull to suburban growth and the development of infrastructure and sustainable suburban development models has occurred, but unlike Detroit, in Calgary it’s largely within the context of a unicity model. It’s not within a conflicted, competitive and fragmented collection of divergent municipalities that is characteristic of many large American and several Canadian cities.

Must Calgary as Canada's effective fossil fuel energy capital remain competitive, vibrant, diverse and economically sustainable? Definitely yes. But certainly not because it seemingly otherwise is aligned to follow a Detroit example of dependence on a single industry, social decline and urban deterioration. The
A critical factor is a continued commitment to diversification – within the energy sector and through our exports markets (a third of which are non-energy sectors like forestry, food, technologies and manufacturing).

Following the professor's logic Calgarians should have been alarmed when after the 1950's and 60's the Robin Hood flour mill and most of the beltline warehousing that clustered the CPR main rail line in the downtown, moved away from the inner core.

Adaptive, successful in a sustainable context, Calgary has already survived one of the largest natural disasters in Canada's contemporary history. Pretty clear Detroit might not have done as well.

A growing, million plus, urban population within its civic boundaries, Calgary's citizens want to be part of the energy! And that in itself is a sustainable and a financially secure future.