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# perspectives

*The Pre-Election Series*

## The Many Faces of Leadership in a Thriving City A Rethink of the Toronto Narrative

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**IMFG**  
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## About IMFG

The Institute on Municipal Finance and Governance (IMFG) is an academic research hub and non-partisan think tank based in the Munk School of Global Affairs at the University of Toronto.

IMFG focuses on the fiscal health and governance challenges facing large cities and city-regions. Its objective is to spark and inform public debate, and to engage the academic and policy communities around important issues of municipal finance and governance.

The Institute conducts original research on issues facing cities in Canada and around the world; promotes high-level discussion among Canada's government, academic, corporate and community leaders through conferences and roundtables; and supports graduate and post-graduate students to build Canada's cadre of municipal finance and governance experts. It is the only institute in Canada that focuses solely on municipal finance issues in large cities and city-regions.

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## Authors

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# The Many Faces of Leadership in a Thriving City

## A Rethink of the Toronto Narrative

For most of the last four years, Toronto has been fixated on Mayor Rob Ford. Spurred by local media and U.S. late-night comedians like Jimmy Kimmel, a constant stream of stories about misbehaviour and a series of bizarre statements by the man himself have created the impression that the city is failing, that it has fallen into deep dysfunction, that all is lost. The *Toronto Star* can't stop writing about Rob Ford, trying to get everyone else to pile on, and other media can't resist the latest personal stumble or political shenanigans. This impression is being applied in a retroactive appraisal of previous city leadership as well, as if nothing has ever gone

right and city hall is a “mess,” as *Globe and Mail* columnist Jeffrey Simpson recently commented.<sup>1</sup>

Why do these perceptions seem so disconnected from reality? Over the last decade, Toronto has risen in world rankings, placing in the top ten consistently in measures of livability, prosperity, and business investment attractiveness. It is clearly the number-one city in Canada in financial power and cultural facilities, and as a media centre. For the last decade, Toronto has led North America in the construction of tall buildings, sometimes outstripping all the other cities combined.<sup>2</sup> It boasts major clusters in financial services, biomedical research, postsecondary education, and information and design. If you board a Toronto-bound flight in Los Angeles, London, Milan, New York, or Hong Kong on a Friday afternoon, you will find business class filled with Torontonians working in film animation, stage or book design, financial product design, or fashion, returning home after a week of work abroad on behalf of their Toronto-based firms.

The fact is, Toronto is booming, and this hasn't happened by accident. While the frantic media coverage has given the impression that the City suffers from leadership paralysis, the reality is very different. At City Hall, members of council and staff have done their utmost to fill the leadership vacuum. A less-recognized ingredient in Toronto's success, however, has been the city-building and civic leadership that has emerged from vibrant and innovative private firms, public institutions,

non-profits, and cultural sector organizations in Toronto's wider civil society. There are many faces of leadership in a thriving city. This paper, the second in the IMFG's *Pre-Election* series, profiles some of them and reflects on how, for any great city, the whole is greater than the sum of its parts.

## Governing a Mayorless City

Residents have witnessed chaotic scenes in the council chamber, broadcast nightly on the news. They have lamented the unproductive debates and sudden reversals of policy. Scandal and intrigue have become hot topics of water-cooler conversation. City Council has stripped the mayor of most of his powers. It has left many with the impression that City Hall is broken. But this is not the full story.

Across Canada, city councils have detractors who decry the endless and often volatile debates, the ad hominem barbs, and short attention spans of their elected officials.

They compare them unfavourably with provincial legislatures and the federal parliament. But those parliaments are dominated by political parties that pre-digest issues so that what takes place on the floor of the legislature is relatively tame. Most of the work is done out of sight.

In Toronto's non-partisan system, council has often taken its lead from the mayor, either supporting or opposing the mayor's position on a given issue. In other cities like Vancouver and Montreal, coalitions form under municipal party banners, but they lack the enforced discipline of provincial and national parties. There are few costs to the councillor who abandons the coalition on one vote or another. The nature of council remains transactional on each issue and vote. What we tend to see in municipal government is democracy in the raw.

This system, while messy, has allowed Toronto's city government to avoid paralysis resulting from the dysfunction in the office of the mayor. Faced with a leadership vacuum, Council found an equilibrium on a wide range of issues from transit to housing to electoral reform. It may be as simple as a determination to unite against a perceived threat to the well-being of the city. The situation has led a number of councillors to wonder aloud if we even *need* a mayor, when council can find its own way to make decisions.

Meanwhile, city staff have risen to the occasion, finding solid ground on which fiscal management, development,

and services can stand. City Manager Joe Pennachetti and his senior staff clearly decided that they were not going to let the city fail because of the political turmoil, while avoiding pointing fingers and assigning blame. They have found significant efficiencies in city finances, highlighted where new funding is necessary, and put out a strategy for the future management of the city – which Pennachetti has articulated annually in a [public address at IMFG](#). One observer commented that the senior managers have pulled together almost like a “regency” to safeguard the city during a volatile period.

But there is no question that without a well-functioning mayor's office, the city is playing with one hand tied behind its back. The good mayors in Toronto's history, as in most cities, all had two qualities: the ability to articulate a vision of the city and the ability to bring people together to support and implement that vision. They have been able to bring

councillors and citizens along with them, persuasively represented the city to the region and the world beyond, and worked with other levels of government to marshal the necessary resources.

So why is Toronto thriving even as the municipal government has one hand tied behind

its back? What makes cities succeed without signs of highly effective political leadership? The answers lie in the very complexity that defines city-regions.

## Thriving and Visionary Businesses and Public Institutions

Jane Jacobs wrote about complexity and connectedness, suggesting that successful city-regions had many sources of strength and that there were strong connections among them.<sup>3</sup> Robert Putnam, in *Making Democracy Work*, limned the dense web of relations that existed in northern Italian cities that gave them economic vitality and social power, connecting them in many ways.<sup>4</sup> Both noted that it was the volume and variety of activity that contributed to vitality. When one enterprise or institution faltered, others carried on and still others flourished. And their strength contributed to the recovery of the faltering ones through the contribution of capital, ideas, and talent. This has certainly been the case in Toronto, where many areas of strength have contributed to the City's prosperity even as some aspects of municipal government faltered, or as we faced crises such as SARS or the Great Recession.

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The business community has been a pillar of Toronto's economic strength, particularly during the Great Recession. The stability of Toronto-headquartered big banks, for instance, was critical in keeping the national economy and local firms from the kind of severe trouble that U.S. companies encountered.<sup>5</sup> In recent decades, the business community in Toronto has flourished along with the city. But businesses have also been engaging in the life of the community in important ways. What is unique is that major companies have not simply relied on the traditional tool of corporate philanthropy, but have in many cases changed the way they do business to respond to community needs or to have social or environmental impact.

The financial sector has not only been critical to the City's economic success, but has also contributed to its civic and social vitality. Through its TD Economics research division and its donations program, **TD Bank** has helped define and raise the profile of community issues such as affordable housing and the green economy, and has supported innovators working on local parks and public space, environmental and diversity initiatives. **Manulife Financial** and **RBC** have helped develop new approaches to integrating skilled immigrants into the labour market. Through their successive leadership of the Toronto Region Immigrant Employment Council (TRIEC), CEOs Dominic D'Alessandro and Gord Nixon saw clearly that Toronto's diversity was reflected in both their employees and customers, and that the engagement of their firms could create a winning situation for everyone involved.

Toronto's burgeoning tech sector has also played a significant city-building role. The multinational firm **Cisco** has been a leader on local environmental sustainability issues through both its business and community activities. It has also equipped and encouraged local civic innovators and engaged with Aboriginal communities to build capacity. Less widely known local firms such as **Eventi Capital**, a high-tech venture capital firm, have also taken a leadership role with several community initiatives, such as the Toronto Inner-City Rugby Foundation, which attracts boys and girls from the immigrant community to a program that encourages them to take up the game while supporting their education and encouraging community engagement.

The impact of the property development industry, one of the significant drivers of local prosperity, can be seen throughout downtown, in North Toronto, and along the shore of Lake Ontario. The amount of development in the last two decades has been astounding. Although it has been channelled through the planning and regulatory framework set by City Hall, it has an energy entirely its own. It has many detractors: some criticize the density and concentration in a few districts; others object to the lack

of suitable units for families; still others find fault with the quality of construction, or the speculative nature of the demand.

But a few shining examples have garnered widespread praise, none more so than the redevelopment of Regent Park, the social housing zone that is being reintegrated into the city as a mixed-use neighbourhood with up-to-date amenities. Originally conceptualized and started by the leadership at the **Toronto Community Housing Corporation**, particularly then-CEO Derek Ballantyne, it was continued with the participation of **The Daniels Corporation** CEO Mitch Cohen. The new Regent Park is not only a dynamic social and cultural neighbourhood that benefits its existing residents, but a magnet attracting other Torontonians and an example of how older communities can be transformed.

Great and economically vibrant cities need world-class transportation systems. While the subject of much hand-wringing in the Greater Toronto Area, **Pearson Airport** and the **Greater Toronto Airport Authority** have nonetheless been vital to the flourishing of the region. Airports are critical infrastructure for city-regions and facilitate the flow of people, ideas, and goods on which modern economies depend. Toronto's upgraded and constantly improving airport receives a third of the nation's air traffic, contributes more than half of Canada's airport rents to the federal government, and employs 40,000 people directly and almost 200,000 indirectly.<sup>6</sup> It is a key regional gateway for the modern economy.

Toronto's universities, colleges, and hospitals have played a central role in building and maintaining the human capital that a successful local economy needs, and in significantly improving neighbourhoods and streetscapes. **Ryerson University** and **George Brown College** have completely changed downtown Toronto east of Yonge Street with new buildings and activities. Around them, new residential and commercial buildings have sprouted, and the streets are alive. **Humber College** has enlivened Lakeshore Boulevard West by converting the old Ontario Hospital to a vibrant campus. Hospitals across the region have expanded and modernized, invigorating their neighbourhoods.

The **Toronto Public Library** (TPL) isn't your grandmother's library, or even your mother's library. In a way that any good business would admire, TPL has kept abreast of the times and remained in touch with its clients. Walking into any library branch today, you don't see banks of card catalogues, but rows of computer terminals, usually occupied with students doing research, people looking for jobs, workers upgrading their skills with online courses, and, yes, with people looking for the location of a book. And those books may be in many different languages, most likely the

languages spoken in that branch's neighbourhood. An agency of the City, the TPL is one of Toronto's most important and least-recognized instruments in building human capital. It is the second-busiest library system in the world, and gets more visitors a year than the city's next ten cultural institutions combined, including the Rogers Centre, CN Tower, and the Toronto Zoo.<sup>7</sup>

### **Innovation and Creativity in the Civic and Cultural Community**

In addition to businesses and major public institutions, a number of civic and creative sector non-government organizations have been important in helping the city flourish. City-building organizations like the **United Way of Greater Toronto**, the **Toronto Community Foundation**, the **Toronto Region Board of Trade**, and **Civic Action** have each established important civic leadership niches: supporting social service agencies; accumulating assets for community improvement; mobilizing the commercial sector to contribute to a healthy urban economy and society; and focusing civil society on big issues and problems such as transportation and vulnerable communities.

They are joined in the effort by active private foundations like **Metcalf**, **Maytree**, and **Atkinson**, by civic actors like **Toronto Park People** and the **Toronto Sports Council**, and by local media like *Spacing* or *NOW* magazines,

which help readers discover their city and the achievements and pursuits of its residents. Taken together they connect leadership across sectors, geography, and income groups to add the civil society voice to the political discourse.

Another recent example of local civic innovation is **The Stop**, which started life as a food bank, collecting food donations and distributing them to people in need. As they grappled with hunger in a wealthy city like Toronto, they decided that food was a basic human right. And not just any food, but healthy food. So they decided to collaborate with food bank users to advocate for healthy food policies and practices. They invited the whole community to participate, not only the hungry, and became involved with the entire range of food production and consumption, from growing it and preparing it to eat, to working with the food industry for better products and prices and with government for better public policy. Nick Saul, the transformative leader of **The Stop**, has gone on to found **Community Food Centres of Canada**, which launches similar projects in other cities.

The Tides Canada Foundation created **Tides Canada Initiatives** (TCI), a "shared services platform" for people wanting to contribute to better communities. TCI supports civic-minded initiatives relating to environmental, social, or human capital issues by providing critical "back-office" supports for administration, financial management, and human resources. In short, the TCI model saves civic organizations time and money so they can focus on the mission-focused work they do. The model is so new that regulators have struggled to understand it, even as others have hailed it as a signpost to the future. Toronto is the location of 15 TCI projects in environment, social service, and community engagement.

The **Worker's Action Centre** (WAC) advocates on behalf of low-paid and temporary workers, the so-called "precariously" employed. These are workers at higher risk of being abused by employers through withheld wages, abrupt dismissals, arbitrarily altered working arrangements, and a range of restrictions on their rights. For many of these workers, a job offers little hope, merely subsistence wages. WAC fights on their behalf for fair treatment and wages, and helps restore hope and connect workers to their communities and peers. WAC and programs like it ensure workers

receive the full benefit of their employment or the public services for which they qualify. This work strengthens the communities in which their clients live.

**Artscape** accurately describes itself as a not-

for-profit that makes space for creativity and transforms communities. It develops and manages sustainable and affordable space for artists, across the disciplines, often in repurposed buildings. Whether it is an old distillery, a school, or a streetcar barn, Artscape not only creates studio space for artists, but does it in such an attractive way that it becomes a community asset. Artscape improves each community it enters, creating sustainable living arrangements for artists, expanding the cultural sector and connecting it with local neighbourhoods. It is recognized internationally as a leader, bolstering Toronto's image far beyond the city boundaries. Tim Jones has been the visionary leader at Artscape, backed by an engaged staff and board leadership.

Another interesting example of a cultural enterprise that is broadcasting Toronto around the world is **JazzFM radio**. Founded at Ryerson in 1949 as the campus radio station CJRT, the board and management set out to reinvent the station as leaders in the world of jazz during the 1990s during a time of provincial funding cuts and a shifting

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media landscape. They started by creating a strong presence in the community, through initiatives like their Youth Big Band, an ensemble of students from grades 8 to 12, and other educational programming and concerts. They've since gone international, with a web app that serves listeners from Delhi to Amsterdam, Auckland to Buenos Aires through the Internet. The international guitarist Pat Metheny has said that JazzFM is unique "on the planet" for its quality and devotion to jazz music.<sup>8</sup> CEO Ross Porter, a legendary Canadian broadcaster, is increasingly becoming an international ambassador for Toronto.

Toronto's cultural scene has been revitalized in recent years, driven by the energy of the main institutions and their supporters. Major renovations and additions at the **Art Gallery of Ontario** and the **Royal Ontario Museum**, the development of the new **Four Seasons Centre for the Performing Arts**, exhibits at the **Gardiner** and **Bata** museums, and concerts at **Koerner Hall** in the Royal Conservatory of Music reflect private donations, which help leverage money from the federal, provincial, and municipal governments. Meanwhile, countless small arts organizations have energized the city's arts scene; many of them struggle financially but thrive artistically.

### **The Whole Is Greater than the Sum of its Parts**

While each of these groups, organizations and corporations could have made a contribution on its own, without each other or City Hall, the likelihood is that together they have been able to achieve more than they would have individually. In his book *Cities in Civilization*, Sir Peter Hall observes how great cities flourish at a particular moment.<sup>9</sup> There is a confluence of forces that produces a whole that is greater than the sum of its parts, and which renders greater power to each than they might achieve in isolation.

For Toronto at the start of the 21<sup>st</sup> century, this has surely been the case. Much has flourished that a decade before might have floundered. In many ways the role of the provincial government has been crucial in creating a platform of human and social capital through policies and investments. The public provision of high-quality education and healthcare directly benefits businesses that hire locally and recruit people from other places. High levels of public safety and reliable municipal systems attract people. Toronto, like other thriving Canadian cities, is a magnet for both immigration and emigration. It is easy to catalogue the wins: leading professors

attracted to Toronto universities; private wealth flowing to the revitalization of cultural institutions; towers reaching to the sky; a prosperous financial sector.

Of course, Toronto is losing on other fronts, because progress occurs variably across neighbourhoods, between people, and over time. Toronto's transit system has not kept pace with its growth, and is decades behind in the number of lines and quality of service. Its roads are congested, stalling the movement of goods and people. Too many people live in poverty: children are going to school hungry; workers can't earn enough to feed, clothe, and house their families properly; hopes of a better education and a better job are thwarted for many. The waiting list for affordable housing is nearing 200,000 people, with little new housing stock in sight, and the deferred maintenance backlog is approaching \$1 billion. These and other issues are real and expensive

problems to deal with, particularly for a city that lacks sufficient revenue tools to deal with them.

While they form a critical set of challenges for Toronto's future, the building blocks are in place. The failed political

leadership of the last four years has left many people thinking that the importance of municipal government is overstated. That conclusion would be a mistake. Other regional mayors, such as Hazel McCallion in Mississauga or Frank Scarpitti in Markham, have succeeded.

This fall's elections provide a chance for a fresh start. Toronto's new council and mayor must be up to the task. Toronto's city management will also have to continue providing a steady hand on the tiller. Both municipal politicians and public servants would be wise to recognize the powerful elements of growth and energy that exist outside city hall. Embracing the dynamic city with its range of institutions and informal groups, rather than seeking to regulate or control it, can create synergy. So too can the city-builders in business, the arts, and civil society embrace and engage City Hall—something that happens less frequently than it should. City leadership is most effective as a collaborative endeavour, with many faces.

It is easy as Torontonians, and as Canadians, to take for granted how fortunate we are. We could certainly do better for our neighbours who are not sharing in our prosperity and well-being, and we should not falter in that fight. But over the arc of human history and in contemporary comparison, we stand in good stead. Much of what we have is not the result of sheer luck, but because those who went before us set

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us on that path. The great baseball man Branch Rickey said, “Luck is the residue of design.” Our challenge, all of us as city builders, is to focus on design for the future.

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