GOVERNING THE DESIGN ECONOMY IN MONTRÉAL, CANADA

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Cultural industries have assumed an increased importance to urban economic development. However, little attention has been paid to accommodating the complex set of activities—both cultural *and* economic—implicated in cultural production. A recognition of this complexity, however, has significant implications for policy. This paper considers the design sector in Montréal, a sector which has attained international visibility in recent years. We analyze the role played by four public and nonprofit institutions in regulating this sector and illuminate their mechanisms for reconciling commercial and aesthetic imperatives. An examination of such initiatives lends insight into the opportunities and the challenges within policy circles for accommodating a conceptualization of cultural industries that recognizes their irreducibly hybrid nature.

Keywords: *design services; cultural economy; urban-economic development policy; governance*

Cultural industries have assumed an increased importance to economic development. In an era of heightened global competition, primacy has been placed on creativity and aesthetics as ingredients for distinctiveness and indicators of vitality and dynamism on the part of both regions and firms. Goods and services that are imbued with symbolic—relative to utilitarian—attributes, and the production systems that give rise to them, are viewed as

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key sectors of growth in twenty-first-century capitalism (Scott 2000). And given the localization of these industries in large metropolitan areas, there has been heightened policy interest in the dynamics of urban creativity.

To date, however, policy interest and empirical trends have not translated into empirically grounded research studies or theoretically informed policy prescriptions. Past studies have drawn attention to the economic organization of such industries, acknowledging that they constitute distinct sectors by highlighting the complex system of actors that contribute directly to the creation, production, and distribution of a cultural product (Hirsh 1972, 2000; Bourdieu 1993). However, the policy context in which these industries are situated and the role that public and nonprofit institutions play in regulating their dynamics have received as of yet little attention in academic literature (cf. Mommaas 2004; Donald and Morrow 2003).

In this article, we consider the broader institutional arena through an examination of the institutions and levels of government regulating the design industry in Montréal, a sector which includes graphic, industrial, fashion, and interior design, as well as landscape architecture, urban design, and architecture.[1] As a cultural industry, design is an activity that unites form and function in the development of new products and landscapes, drawing on technical, aesthetic, and market considerations (Picard Report 1986; International Council of Societies of Industrial Design 2004). Products embodying principles of "good design" as defined by the design discipline are typically seen as higher quality, longer lasting, or better looking. Alternatively, products or environments may be more reliable, environmentally sustainable, or accessible. Such an activity shapes not only the physical form, but also the content and symbolic meanings of objects, and has become increasingly important in an era of design-led, information-rich, post-Fordist production. As such, design embodies both economic and cultural imperatives and all the potentials and challenges of that complexity.

Montréal is an interesting city in which to analyze the design industry because of its importance as a design capital. Measured in terms of employment, Montréal has a total of 16,690 employees in the design sector, and is the sixth largest center of design in North America—following New York, Boston, Toronto, Chicago, and Los Angeles (Design Industry Advisory Committee 2004).[2] Montréal has a larger share of Canada's design work force, relative to its proportion of the national population (Gertler and Vinodrai, 2004).[3] Designers within the province of Québec are heavily concentrated within Montréal (Design Industry Advisory Committee 2004; Statistics Canada Census of the Population 2001).[4]

Within Canada and the United States, Montréal enjoys a reputation as a city of style and fashion (Skegg 2002). As evidence of Montréal's stature as a

"design metropole," the city recently won a competition to become the new headquarters location for the International Design Alliance (IDA).[5] We argue that the emergence of Montréal as a center of design has developed due to the rich institutional nexus that supports culture in the city and in the province of Québec. An examination of some of the initiatives involved in stimulating design lends insight into knowledges and modes of intervention, as well as the perspectives on the cultural economy that underlie the cultural-policy framework in the city. It also sheds light on the dual nature of design as an industry that combines artistic and commercial rationales, and which is supported for divergent reasons. Design is often seen as a tool for economic competitiveness, or alternatively as an expression of nationalism. What is unique about the Montréal case, however, is the degree to which a strong cultural mandate has informed modes of governance, given that it is as a francophone metropole in anglophone North America. The tension between cultural and economic rationalities forms the focus of our enquiry.

The article draws upon an analysis of government and institutional policy documents, as well as 26 intensive open-ended interviews with institutions involved in regulating design. These actors include nonprofit organizations, design schools, professional associations, museums, arts activist groups, and local, provincial, and national governments.[6] We explore the myriad ways in which institutions have been involved in governing design in Montréal.

The article is divided into four sections. In the first part, we review the history of different policy perspectives on cultural industries. In the second section, we explore the importance of institutions in shaping innovation and creativity and provide a framework for conceptualizing governance. The third section explores the governance of the design sector in Montréal. We review the historical context in which institutional investments in design have been made, and examine four main organizations and programs that have bolstered Montréal's reputation as an international center of design. These include Commerce Design Montréal, Provincial Government Tax Credits, the Institute of Design Montréal (IDM), and Société de Développement des Entreprises Culturelles (SODEC). Through an examination of these case studies, we highlight some of the lessons of the Montréal case for urban-economic development policy. In the final section of the article, we highlight future challenges to the regulation of design.

A GENEALOGY OF URBAN CULTURAL POLICIES

In recent years, there has been a great deal of interest in creativity and urban economic development (Pratt 1997b; Scott 2004; Power 2002). Flor-

ida (2002), for example, suggests that creativity has surpassed traditional factors such as land and resources in bolstering competitive advantage. In particular, Florida (2002) finds that places with a strong quality of life, a vibrant bohemian class, and a high level of cultural diversity are more likely to attract and retain talent (see also Gertler et al. 2002).

In addition to the more general interest in creativity (which exists across the economy), there has been a heightened interest in cultural industries themselves as creative artifacts (Pratt 1997b; Power 2002). Cultural industries now constitute a significant share of employment, trade, and output within metropolitan economies (Pratt 1997b; Scott 2000) and the growing importance of cultural industries as a base for economic development has forced economic geographers and planners to reconsider the relationship between the "economic" and the "cultural." Traditionally, cultural industries have been marginalized, because from an economic point of view they are seen as derivative, not a true source of value (Pratt 1997a; Jackson 2002). Similarly, from an arts perspective, industries such as design are viewed as "commercial" and lacking in integrity.

The ability to translate a vision or a creation into a tangible product, however, demands aesthetic *and* commercial resources (Bjorkegren 1996; Howkins 2001). Like other artists, designers are in need of a continuous stream of stimulus and "inspiration" to innovate. Studies have shown that diverse contexts—those characterized by a range of cultures, architectural styles, social groupings, economic activities—are the preferred environments (Bain 2003).

An ability to materialize innovations and to test their application—that is, a process of learning by doing—requires technical and business resources. These resources not only establish the parameters of creativity but can offer insights into the frontiers for future rounds of creativity. Moreover, such considerations are even more critical for design when compared to other cultural industries. For most cultural industries (such as the performing or visual arts), the "artist" is the main driver or the engine of the industry and s/he tends to privilege aesthetic considerations in developing a vision. Economic activities, for example production or distribution, are critical insofar as they support the commercialization of an artist's vision. For design fields such as fashion or product design, technical and commercial considerations are more dominant in the initial phases of innovation. In both scenarios, however, the "economy" constrains *and* enables. In the practice of cultural production, culture and economy are symbiotic.

Despite this articulation between "culture" and "economy," policy makers have tended to isolate these dimensions. There have been three main phases in the development of policies surrounding the cultural economies of advanced

industrialized nations in Europe and North America (Bryan et al. 2000; Santagata 2002). In the 1950s and 1960s, policies typically focused on the establishment of institutions of high art (such as art museums, operas, and theaters). As Kong (2000) suggests, this focus on the "pre-electronic arts" did not incorporate an understanding of how culture could be exploited for economic development purposes. Similarly, when policies moved beyond the realm of subsidized arts to intervene in film or television, the focus was mainly on cultural values and mores rather than industrial strategy (Pratt 1997a).

The economic value of culture continued to be marginalized in the 1970s and 1980s when the emphasis was placed on cultural policies as a means of fulfilling social and political agendas. Here, the main objective was to expand access to cultural resources and to use cultural policy as a means of community building (Kong 2000).

For Kong (2000), a shift in thinking comes about in the mid-1980s, when national, provincial, and local governments begin to recognize the role of cultural industries in economic development and urban renewal. For local governments in particular, cultural-industrial policies become a vehicle for generating revenues in the context of neoliberalism and the gradual withdrawal of the nation-state. Aggressive cultural policies associated with increased employment, the growth of related services and industries, intraurban synergies, and tourism come into ascendance (Kong 2000, 387). In addition to promoting and enhancing cultural industries directly, these policies are lauded for their ability to attract talent and create a new image for a city, foregrounding the growing importance of representation (Kong 2000, 387; see also Scott 2004). Culture is thus deployed as a means by which cities can distinguish themselves *and* their goods and services, reflecting the growing importance of culture in interurban competition.

A consequence of these policies however, as Kearns and Philo (1993, 18) argue, is that places are increasingly seen not so much as centers of cultural belonging but as "bundles of social and economic opportunity competing against one another in the open market for a share of the capital investment cake." Similarly, Pratt (1997a, 1914) points out that many recent policies represent a "hijacking of culture" whereby culture is mobilized as a means to an alternative end:

> Little, if any, concern is directed at the production of culture either by the industries or by the artists concerned. Where cultural policy has been figured otherwise, it has either been as a social-welfare or social-polarization palliative, or as an attempt at local economic promotion. What is absent is a degree of national coordination of such local policies, or on a broader canvas, a consideration of the relationship between cultural policy and industrial policy.

Cultural industries need to be viewed through a new lens acknowledging the mutually constitutive nature of "art" and "economy" (Pratt 1997a, 1915). Both theory and institutional practices need to accommodate the growing interdependence of social systems, acknowledging the range of activities—both cultural and economic—that sustain cultural production.

THEORIZING THE GOVERNANCE OF CULTURAL SECTORS

A recognition of the social foundations of cultural economic activities has implications for analyzing how such activities are regulated. Economic sociologists and evolutionary economists have long acknowledged that an economic entity (such as a firm) does not operate as an atomistic unit but rather is embedded in a broader system of relations that can prescribe certain behaviors or constrain others (DiMaggio and Powell 1991; Nelson 1994; North 1990). Individual actors are limited in terms of knowledge (i.e., subject to bounded rationality) and in terms of resources, such that the process of innovation, demands the pooling of such assets. An ability to coordinate activities is also dependent on the more general set of institutions—the norms, conventions, and routines—that mediate relations. These institutions, what Veblen (1919, 239) has termed "settled habits of thought," condition the nature of relations between actors and the functioning of the system as a whole.

The rise of the new knowledge economy, marked by rapid economic and technological change and heightened global competition, has promoted a renewed interest in analyzing the institutions that govern economic behavior and the processes shaping those institutions. In a context of volatile markets, many theorists have noted that economic development is increasingly tied to the ability of institutions to adapt to this growing complexity, and that policy should be focused on promoting responsive institutions (Amin 1999; Jessop 1997). The top-down, bureaucratic modes of intervention that characterized the postwar policy context are no longer tenable. The new economic reality, characterized by more specialized yet interdependent institutional orders, demands that policy be formulated and implemented by a myriad of organizations (public/private), mechanisms, and processes. Such policy would reflect the multiple logics and (often contested) interests that constitute contemporary economic life, transcending bureaucratic, functional divides and engaging a range of stakeholders at a variety of scales. In this context, "government" no longer refers narrowly to a formal structure. Rather, following

Foucault, the term "government" refers to the manifold ways in which the conduct of individuals and groups are directed (Foucault 1982, 221). This is not to suggest, as much of the recent literature on neoliberal governance attests, that the state abdicates its regulatory responsibilities. "Governance" here reflects a situation in which the state's mode of intervention is more open and reflexive, encouraging dialogue and collaboration between distinct actors within the state (including those operating at subnational levels), as well as those outside the formal state apparatus.

New modes of regulation imply not only a shift in government practices, but more importantly, a shift in the mentalities of key actors to allow for negotiated policy directives. The literature on governmentality is instructive in understanding *how* "government" seeks to cultivate certain forms of behavior among individuals, populations, firms, and economies. According to Dean (1999), governmentality "is concerned with the means of calculation, both qualitative and quantitative, the type of governing authority or agency, the forms of knowledge, techniques and other means employed, the entity to be governed, and how it is conceived, the ends sought and the outcomes and consequences" (Dean 1999, 11). In the governmentality literature, however, a distinction is made between the "technologies" and the "rationalities" of government, such that "technologies of government" refer to the systems, procedures, devices, and methods employed to shape the conduct of actors, whereas "governmental rationalities" refer to elements of thought, reflections, and strategic calculations that inform such technologies (Rose and Miller 1992; Triantafillou 2004).

By emphasizing the bodies of knowledge and ways of thinking underpinning technologies of government, the literature on governmentality contributes to an understanding of the challenges entailed in formulating new policies. It draws attention to the fact that such bodies of knowledge are often taken for granted by those who are governing (Dean 1999). Over time, mentalities become institutionalized or "settled." However, as Dean (1999, 27) argues, in moments of problematization, actors and agents pose the question of how one conducts government and how one governs conduct. Problematizations can be made concerning techniques, languages, grids of analysis, forms of knowledge, and expertise (Dean 1999, 28). Reflexivity on the part of those that govern is essential to an adaptation process and to the "unsettling" of past conventions and routines. Power is not determined a priori, but is the result of a constantly changing assemblage of techniques, practices, and rationalities (Dean 1999, 29).

Governmentality approaches are relevant for analyzing how cultural industries, such as design, are governed in the contemporary context. Like other knowledge economy sectors, cultural industries are subject to market volatility, as they have short-lived cycles and a constant need to innovate, demanding continual flows of information. These industries face even greater risk and uncertainty since their primary value is symbolic and ephemeral. Banks et al. (2000) argue that product obsolescence in other sectors, such as high-tech, is generally accommodated within business plans, cost-benefit analysis, or market research. In the case of the cultural economy, however, business goals are not defined solely in terms of profit but also in terms of aesthetic judgments. Thus, as a commodity that is highly place- and time-specific, a cultural product cannot efficiently be regulated by market mechanisms (Santagata 2004) or hierarchical modes of governance, which tend to be inflexible. As stated earlier, the creative process occurs within a system of interdependent relations, with the system encompassing both economic actors (e.g., distributors or producers) and cultural actors (e.g., artists or designers) and the flows of knowledge between them. It thus becomes important to examine how cultural and economic imperatives are incorporated into regimes of governance.

Accordingly, following from the governmentality literature, a cultural product does not represent the expression of a single interest, since power is not held in the hands of any one actor, but is an effect of the ensemble. Cultural objects are caught in particular tensions of power that have the effect of configuring the possible forms that they can take. Pratt (1997a, 1915) calls for an investigation of the various ordering practices that create artistic forms: "Ordering practices are simultaneously forms of knowledge and organizational practices, situated in time-spaces. The outcomes, the effects, are locally forged knowledges and practices of our world. These practices are the means by which we understand and identify with things such as culture . . . [and] industry."

In examining the ordering practices within the present policy context, we illustrate how policies have sought to shape behavior and assess the relative successes and limits of such efforts. We suggest that most policies to date have, at best, only partially embraced the logic and practice of more reflexive forms of government. Due to old settled habits that govern current forms of intervention, most policies remain based on a narrow conception of what constitutes cultural-economic activities rather than capturing their hybrid form.

GOVERNING DESIGN IN MONTRÉAL

DISCOURSES OF DESIGN: DESIGN AS NATIONALISM, DESIGN AS COMPETITIVENESS

An examination of the design sector in Montréal offers a unique vantage point from which to illuminate such ordering practices. Relative to other North American cities, Montréal occupies a distinct cultural status as the key metropole of francophone Québec and this has had implications for cultural-industrial policy in the city. In the early 1990s, the province of Québec developed a cultural policy in response to cultural transformations of the preceding decades. These changes included the modernization of Québec society, with the decline of the Catholic Church, falling birth rates, and the rise of a new consumerist culture, as well as the democratization of culture through the development of new technologies, particularly new media. This policy was also a reflection of the rise of nationalist sentiments in the province in the 1970s and 1980s, which can be traced to the long-standing inequities faced by French Canadians, who existed as "second-class citizens in their own country" (Polese and Shearmur 2004, 334). The rise of Québec nationalism culminated in the election of a separatist provincial government in 1976 and a provincial referendum on separation in 1980. After the loss of this referendum, there was a widespread belief that the provincial government should support cultural sectors, which play an important role in identity formation. In addition to these factors, a major trend contributing to development of the Policy was the advent of globalization. There was a growing infiltration of cultural products from the United States. and a concern about being able to retain a market for local, francophone products and, by extension, the French language.

Thus, a central mandate of this policy, which remains in effect today, is the promotion of Québec culture through the support of cultural institutions (e.g., museums, public libraries, cultural organizations) and cultural industries.[7] There is recognition of the need for strong government intervention in the cultural sector, parallel to France *(La Politique Culturelle du Québec*, 1992). As an official with SODEC (Société de Développement des Entreprises Culturelles) argues,

> The cultural policy . . . was due to the dynamism of the cultural milieu that demanded that government have a clear policy . . . . [There was] . . . the need for clear orientations . . . considering the francophone situation of Québec in North America [and of the need] to rely on the state in the development of culture.

> Because if you analyze the situation in Canada, there is only the province of Québec that has a cultural policy and a structured intervention in this area. When we look at the goals of the government of Québec in culture, it is more developed than the goals of the other provinces because here there is an issue of cultural identity, an issue of cultural specificity. (interview)

Given the concentration of cultural industries in Montréal, the policy highlights the city's "special place within Québec" (*La Politique Culturelle du Québec* 1992, 132). It acknowledges the role cultural industries can play as a potential source of metropolitan growth and the need to coordinate cultural policies with existing local institutions.

Support for cultural industries in Montréal, and particularly the design industry, has also been prompted by economic trends affecting the Island of Montréal. Like other rustbelt cities, Montréal underwent a process of economic decline in the 1970s and 1980s, experiencing some of the worst effects of deindustrialization, poverty, and unemployment in Canada (Germain and Rose 2000; Gilbert 2004). The election of a separatist government in 1976 also had a profound impact on the metropolitan economy, as many of the English Montréal-controlled firms relocated their head offices to Toronto (Polese and Shearmur 2004, 336). With the subsequent liberalization of trade policies under the Canada-U.S. Free Trade agreement and NAFTA, it was increasingly acknowledged that manufacturing industries that remained could no longer compete on the basis of cost alone and a greater emphasis was placed on design and creativity as sources of competitiveness.

In 1985, a federal Ministerial Committee was set up, including the Minister of Regional Industrial Expansion and the Minister for Science and Technology, and was given a mandate to study the economy of the Montréal region. It was supported by a consultative committee made up of representatives from the private sector, unions, and universities (IDM 1999, 11). After extensive research, the committee's report, known as the Picard Report (1986), identified design, along with seven other industries, as a key sector in the local economy.[8] Corresponding to the third phase of policy cited by Kong (2000), the report foregrounds the importance of design to consumer marketing, manufacturing, tourism, and cultural industries (Picard Report 1986, 137). The need for coordination between the various institutions regulating design was also highlighted:

> Design, as an important aspect of Montréal businesses, must result from the culture of the city: a new commercial culture of design is the keystone to the export of manufactured goods and to the dynamism of the tourist and retail trades. For such a new culture to arise, Montréal will need the concerted efforts of its business, university and government sectors (Picard 1986, 137).

Thus, in light of these historic trends, Montréal is presently pursuing two parallel objectives with respect to design. On one hand, state policies stress the need for competitiveness and value-added production in an era of globalization. In accordance with this aim, initiatives are constructed to discipline local firms into new forms of rational economic behavior. On the other hand, the state also aims to preserve French Canadian culture through the establishment of a vibrant and distinct design culture. These contradictory discourses underpin the current policy nexus surrounding design.

Montréal has witnessed the development of a plethora of institutions aimed at supporting the design sector at both the provincial and local scales. These institutions have tried to accommodate a range of activities implicated in the design process, and as such, they represent an innovative set of policy models. Such institutions, however, also present some of the challenges associated in regulating the economic and cultural imperatives that the design sector embodies, imperatives that are often at odds with one another.

For our analysis here, four institutions in specific have been selected: Commerce Design Montréal, Québec's Tax Credit Program, IDM, and SODEC.[9] These case studies have been chosen because they are the most innovative initiatives in the city.[10] Our emphasis is not on abstract dimensions of thought encoded within regimes of governance, but with thought as it is embedded within explicit and systematic programs aimed at reforming the conduct of both businesses and citizens (Dean 1999, 18).

COMMERCE DESIGN MONTRéAL

Since the 1980s, "design" has become a buzzword in the official discourse of various institutions and levels of government in Montréal. The Picard Report, for example, prompted the City of Montréal to create a Commissioner of Design, a position which is unique within the Canadian context (Interviews; Rochon 2004; Halpern 2005). The most innovative initiative that the Commissioner has introduced is the annual competition, "Commerce Design Montréal." In this competition, now in its tenth year, awards are given out for the innovative interior design of public spaces in the city, such as retail shops and restaurants. The competition is organized in partnership with the Québec government and other professional associations in the design sector, but is administered by the city. The Commissioner notes the importance of the urban in the formulation of cultural policy and the need to move away from centralized initiatives:

> Commerce Design Montréal is the perfect example. I don't know of any organization that could do this kind of event. It is not in the mission of any other

> organization, institution, except the city because the city has to reward the quality [of design] that has been done on the territory . . . .This can't be done by an organization like a professional organization because the membership is national. It is not local. (interview, City of Montréal)

In order to be eligible to receive this award, the enterprise must hire a qualified designer to renovate their space. Awards are given out by a panel of experts to businesses with the best designs and then a directory is published of all winners so that firms interested in hiring an interior designer can access the list of designers. As a consequence, both companies and local designers have benefited from the award.[11] A key goal of the program, then, is to motivate local businesses and retail shops that otherwise might not invest in design. In order to stimulate investment in the built environment, a large number of awards are given out, "You really need to have examples very close to their business realities if you want to convince somebody" (Interview, City of Montréal official). The program seeks to encourage more competitive business practices and to encourage firms to invest in design.

Another goal of the program is to stimulate consumer awareness of design in the city. A guide is produced each year of all the winning entries, and a map is included detailing the locations of all sites. Bus tours are offered, and in 1998, a "People's Choice Award" was introduced to stimulate public engagement with the contest. The idea is to increase the public's knowledge and awareness of architecture and design. Its success is evident in the fact that 58,000 people voted in 2004 (Berkowicz 2004). In this mode of visioning, consumers are recast as "design citizens." The goal is to construct an active and enterprising citizenry (Dean 1999, 17).

The emphasis on a range of actors in the network, including the role of consumers in the process of cultural production, is an innovative feature of this program. The aim of this contest is also to stimulate tourism and to forge a set of associations with the city that will benefit other sectors. As a director at the city explains,

> The idea is how do you take the design issue and make it so specific and amplify it to the point where it becomes an economic development tool. It is not economic development itself. The number of jobs we have in design are not going to make the economy in Montréal survive. So they have got to be looked at as a lever or as a tool for something much bigger. (interview, City of Montréal)

It is clear that Commerce Design Montréal aims to construct the City of Montréal as a "design metropole." The program is unique and other cities around the world have begun looking at this program as an example of "best

practice" in urban-economic development. In 2002, for example, Commerce Design Montréal received the Outstanding Achievement Award from the International Downtown Association, one of the highest distinctions given out for downtown revitalization (Commerce Design Montréal 2003–2004). The concept and logos for this competition were also recently exported to Saint-Etienne in France and to New York City.

Through this contest, design becomes a lever to "brand" the landscape of the city for both visitors and residents, and to position Montréal as a "design destination" (Interview, City of Montréal). As Sharon Zukin (1995, 3) argues, "the cultural power to create an image, to frame a vision, of the city has become more important as . . . traditional institutions—both social classes and political parties—have become less relevant mechanisms of expressing identity. Those who create images stamp a collective identity. Whether they are media corporations like Disney, art museums, or politicians, they are creating new spaces for public cultures." Commerce Design Montréal encourages design intensity in the physical landscape of the city—in its stores, restaurants, and offices. The objective is for tourists and visitors to the city to gain an image of Montréal as a hotbed of contemporary design so as to enhance the sign value and competitiveness of products being manufactured and designed in Montréal and Québec.

In this conceptualization, design is not viewed as an industrial sector, but rather it is seen through the lens of urban renewal strategies. Programs like Commerce Design Montréal, while they enhance the image of the city as a center of style and fashion, do little to transcend an instrumental view of culture (Nylund 2001). Donald and Morrow (2003) point out that one of the risks associated with Richard Florida's talent model, for example, is that local economic development schemes often focus on superficial place-marketing strategies rather than addressing the important investments needed to maintain creativity in an urban center. The focus is therefore on the image of the city, rather than on the dynamics and needs of the design sector itself. According to Mommaas (2004, 518), in such policies, the city is seen as "décor rather than function." One needs to consider whether we are seeing the genuine revaluing of artistic values or whether we are witnessing a further "functionalization of culture" (Zukin 1995).

There is also a sense that the competition artificially fragments design from mainstream planning practices. For many, there is a growing recognition that design should be placed at the center of urban planning, rather than separated out into a distinct administrative realm. As one editorial notes, the Design Commissioner's "influence is felt more profoundly within Montréal's private sector community and less within the city's bureaucratic ranks. She rarely works with the city's Department of Urbanism. But the need for

collaboration is obvious" (Rochon 2004, R1). Those within the City government also question the limits of the existing institutional framework and the separation of design from other City departments (Interviews). Thus, the program forwards a narrow vision of design as aesthetics. Design is seen as a way to enhance the value of goods and to promote tourism. It is the economic dimension of design which is lauded, and design remains ghettoized into a separate disciplinary silo targeting the business sector, rather than something to be integrated into mainstream planning or broader social and environmental rationalities.

PROVINCIAL TAX CREDITS

The Department of Développement Économique et Regional et Recherche of Québec has also taken a strong interest in fostering design innovation in the province. The primary vehicle for achieving this goal is a series of tax credits meant to encourage investment in fashion, furniture, and industrial design within commercially oriented enterprises to spur the development of distinctive, higher-value-added products (http://www.mic.gouv.qc.ca/publications/design-industriel/De-Xsoi(E).doc). Inspired by a similar program in France, these credits took effect in 1994. They were introduced in the context of an economic downturn in a number of industries such as fashion and furniture. A government official notes,

> industry was experiencing the decision to free trade and there was also an economic crisis that was not so far behind . . . So it was thought that one way to help the industry but not subsidize the industry, could be to support innovation and design. (interview, provincial government official)

In order to be eligible for the design tax credit, firms must employ the services of an unaffiliated outside design consultant qualified as an industrial, furniture, or fashion designer (http://www.mic.qc.ca/publications/design-industriel/De-Xsoi(E).doc).[12] To date, the tax credit program is perceived to have been relatively successful in encouraging higher-value-added production in the furniture and fashion industries in particular. Within the furniture industry, for example, 52 companies took advantage of the credits in the first four years of the program. A key administrator of the program argues that the credits help to overcome the temptation on the part of local manufacturers to copy the designs of other firms rather than innovate (Anon. 1999, 1).[13] An industrial designer notes,

> It is a sales incentive to say 40 percent of my fees, you will get them back at the end of the year whether you make a profit or not . . . It also demonstrates that if

> the government is willing to invest that money then I guess it adds a little bit of validity to the claims we make that design is important and it is an . . . effective tool for competitivity. (interview, industrial designer, Montréal)

Similar benefits have been cited in the fashion industry. According to the head of the Apparel Manufacturers Institute of Québec (AMIQ), the program has given six to seven million dollars back to the industry (Interview). The Director argues that the program has helped a lot of companies and that "this is why some of the companies do have design. They are not just doing only private label and they are able to sell and export in New York and wherever because they have a differentiated product" (interview, head of AMIQ).

Designers in other parts of Canada perceive these credits to have been successful in transforming the working practices of manufacturers in Québec and are currently struggling to introduce them. For example, in Ontario, an organization called the Design Industry Advisory Committee (DIAC) was set up by City of Toronto Economic Development Department. One of its goals is to lobby the Ontario government for design tax credits similar to those in Québec (DIAC 2004).

Tax credits offer a unique fiscal means for intervening in the economic sphere and for reforming it. As Dean (1999) notes, efforts to govern the economy often encompasses an attempt to shape who individuals and firms are and what they should be. For example, there is the construction of "the national population as lacking the capacities of enterprise and entrepreneurship required to be internationally competitive" (Dean 1999, 12). Government and institutional regulation of the design sector in Québec encourages individual businesses—industries, retail shops, restaurants—to invest in industrial, interior, and fashion design through incentives of various kinds. These tax credits thus rely upon a "design-as-progress discourse" (Skov 2002, 556), which is adopted as a means of grappling with the crisis in a number of mature industrial sectors related to free trade and globalization.

The tax credits have clearly had an impact on design innovation in manufacturing. In the face of these benefits, however, questions remain concerning the long-term viability and success of such a program. The benefits of the program are difficult to measure. In addition, as it is currently structured, the policy lacks a clear conception of design innovation and its hybrid nature. It views design first and foremost as a cost to be subsidized, rather than an asset that draws together the varied resources and knowledge bases within a company. Indeed, a number of designers interviewed complained that a major limitation to such an initiative is that it does not necessarily foster a greater appreciation or understanding of design on the part of manufacturers, or of the need for a greater dialogue and exchange between manufacturer and

designer. According to one fashion designer whose salary has been subsidized by the tax credits, "manufacturers only see one thing: making clothes and sell[ing]. They don't think that creating is something they want to do. That's the mentality up until now . . . the owner of the company has to have the personality first to improve a product and to know how to hire a designer that develops that personality in their way" (Interview, fashion designer). This tendency was corroborated by a manufacturer. Regarding the credits, he stated that he was already using a designer before he took advantage of the credits and that he did not see the credits as actively shaping or altering his strategy: "it just adds to the bottom line . . . you cannot let a subsidy influence you" (Interview, apparel manufacturer). Thus the program encourages a narrow conception of design as an economic cost—one laden with risk and uncertain rates of return. It does little to encourage a broader understanding of the creative, environmental, and cultural significance of design, or to create a design-driven ethos in manufacturing. The challenge remains to alter the mentalities and rationalities underpinning the practices, along with the practices themselves.

INSTITUTE OF DESIGN MONTRÉAL

In addition to Commerce Design Montréal, another by-product of the Picard Report was the creation of the Institute of Design Montréal (IDM) in 1989. The Institute of Design Montréal was officially launched in 1993 as a nonprofit organization whose mission is to "promote design as an *economic value* and to make Montréal a design centre of international caliber" (IDM 2001, 1; emphasis added).[14] The mandate of the organization covers all branches of design, including industrial design, graphic design, architecture, interior design, fashion design, new media, landscape design, and urban design. IDM gains support for its various programs from donor agencies, Canada Economic Development, the federal Department of Communications, and the City of Montréal.

IDM's objective is to establish design as a "structure or platform for the future economy of Québec" (Conlogue 1993, C21) by having design "become a brand image for Québec products and a major lever for improving the competitiveness of Québec companies in the marketplace" (http://www.idm.qc.ca). As the director of IDM notes, "I want the private sector . . . to understand the *economic* value of design. I want them to integrate it in their business because if you integrate it, the costs of production are lower, the price of the product is better, the profitability is better. So they make more money . . . and create jobs" (interview). As with the tax credit program and the Commerce Design Awards, there is a belief that incentives are neces-

sary to persuade manufacturers to pursue a high-value-added, design-led strategy:

> They understand . . . design when things are going well. [But] who is the first one fired? Used to be the marketing director, now it is the designer . . . There were a lot of companies, they were single owners who were getting older and they wanted to get the money, milk the cow . . . . They were not a proud industry so they started milking . . . . So what they were doing, they were going to Europe with a Polaroid camera, click click click. They would copy. . . . They were closing one after the other. I said, "that is it—no design" (interview, IDM official).

As with other programs, the underlying rationality is to transform the conduct of business away from practices of risk aversion and copying.

The vision of the organization is based on the notion that the Montréal region constitutes "the design development pole in Québec and that it contains many conditions conducive to making it a design centre of international caliber" (IDM 2001, 1). In its Strategic Action Plan, the Institute of Design Montréal (2001) identifies a number of key assets which the City of Montréal possesses in the area of design. These include strong government support and Montréal's strategic positioning in North America as a multicultural city combining North American and European sensibilities, as well as the French and English languages. The liberal and open nature of the city and the absence of restrictive conventions is also cited, as is the consumer's openness to novelty (IDM 2002, 7). Given that the vast majority of designers in Québec are in Montréal, attempts to govern design orchestrated at the provincial level fail to capture the geographically concentrated nature of these activities and miss opportunities for responding to their needs in appropriate ways. There is a perception that efforts to promote the design economy need to be coordinated from the urban level:

> Design has economic value but also has a value distinguishing, not only the city but the country as well. But usually we sell a city's name. We know cities for their design, not countries. The only exception is in Scandinavian countries where you have a Scandinavian style. Otherwise it is Milan, Paris, New York . . . (interview, Institute of Design Montréal).

Part of the Institute's vision is to position Montréal as "Canada's Milan" (Rose, 1996: F1).

The aims of IDM are to develop a design culture in the business community, government milieus, and the general public, and to stimulate private enterprises to utilize the services of design professionals. As their catalog notes, "the success earned in Canada and abroad reinforces the image of our

creativity and, with the passage of time, creates a design culture that is uniquely our own" (Institute of Design Montréal Awards Catalogue 1999, 8). IDM achieves its objectives through serving as a site of consensus building among major stakeholders in the province, such as professional associations, design promotion organizations, governments, and business associations. Their goal is to bring actors together and to serve as a center of networking. A significant amount of time is also spent leveraging money from government as well as other partners for the projects IDM runs. IDM hosts design conferences and organizes regular "brainstorming sessions" concerning important topics in design. These sessions, referred to as a "laboratory of ideas," bring together designers, business people, design educators, and sociologists to talk about issues such as the aging population, ecodesign, health, and transportation (interview, official, IDM). These laboratories are meant to foster learning and to develop innovative design solutions to current societal problems. To facilitate its goals, IDM also offers a wide array of programs, including a design consultation service that enables small- and medium-sized firms to consult a designer. Through their marketing support program, IDM aids designers in presenting their product ideas at local and international trade shows.[15] Finally, a central focus of the organization is to construct a productive and consuming citizenry with a strong appreciation for design. In this regard, IDM was instrumental in the creation of *Formes*, a weekly page devoted to design in the daily Montréal newspaper, *LeDevoir* (IDM 1999, 41).

IDM is a clear example of an organization that conceives design as an industrial sector in itself, providing designers with useful tools, knowledges, and networks. The case of IDM also shows that an infrastructure outside of the state can play a major role in mobilizing a range of actors, with the potential to forge new articulations. In 2001, the Institute of Design Montréal invited its stakeholders—professional associations, governments, business associations, and design schools—to participate in a review of the organization's mandate and accomplishments. A key strength identified by the stakeholders was the recognition earned by a number of designers and companies supported by the Institute (IDM 2001, 15).

The report also highlighted a number of challenges. In particular, it drew attention to the lack of collaboration between stakeholders in the design community. While the review acknowledged the positive efforts of the organization to get closer to the design community, some participants suggested that the organization often failed to listen to the design community, and that it had a "tendency to control" (IDM 2001, 14). Recommendations included improving the consensus-building approach of IDM.

There is also a suggestion in the report that commercial imperatives have been prioritized. The report notes that in addition to product design, IDM considers the contribution of design to "space, events, environments, and visual communications that can generate *commercial value and economic benefits*" (IDM 2001, 17; emphasis added). The bias toward economic rationalities is manifest in a criticism that the Institute tends to privilege certain design disciplines over others. Although no specific discipline is mentioned, industrial design (one of the more commercial fields) has been a focus of the Institute's attention. Even with respect to other branches of design, it is generally the commercial benefits that the Institute stresses, rather than inherent cultural, environmental, or social values attached to design.

IDM operates on the basis of a narrow conception of design. A privileging of the economic dimension hinders its ability to accommodate the hybrid character of the sector. Moreover, the Institute's top-down regulatory mechanisms also pose a challenge for encouraging reflexive institutional arrangements. A more direct engagement and inclusion of the relevant stakeholders can better ensure that the varied needs (cultural and economic) can be addressed and that intrasectoral synergies can be harnessed.

SODEC (SOCIÉTÉ DE DÉVELOPPEMENT DES ENTERPRISES CULTURELLES)

SODEC is a provincial agency overseen by the Ministry of Culture and Communications, which was established in 1995 as a by-product of the Cultural Policy. The program arose from the fusion of the Institut Québecois du Cinema and SOGIC (Société Générale des Industries Culturelles). Its development was a response to the restructuring of cultural industries in the late 1980s and 1990s, when a blurring of the boundaries between different sectors was resulting in greater interdependence and the need to look beyond individual sectors. Larger enterprises were consolidating and many of the smaller ones were subject to high rates of turnover. There was a concern that profitability was taking precedence over aesthetic innovation, and that more support was needed for small, niche producers, who were viewed as the vanguard of creativity (*La Politique Culturelle du Québec* 1992). SODEC was envisioned as an infrastructure that could coordinate—and expand—existing government assistance for cultural enterprises.

Like the Cultural Policy, more broadly, SODEC's aim is to contribute to the construction of a distinct Québecois identity. As one official argues, "Québec is probably particular . . . because we do need to support our cultural identity . . . because it is a very small market . . . so we have to support it if you want it to still exist" (interview, SODEC official). For SODEC, cultural

enterprises are viewed as a means for both expressing and promoting culture. The motto of the organization is "parce-que notre culture est une force" [english translation: "because our culture is a force"] (http://www.sodec.gouv.qc.ca) and one official interpreted it in the following way: "SODEC works because our culture is a force. It is a force in the symbolic sense, a force in the sense of representation of identity, and it is also an economic force, a force of knowledge" (interview, SODEC official). Thus, a central objective of SODEC is to expand the economic potential of such enterprises by serving as a bridge between the worlds of art and business.

In particular, SODEC provides assistance to cultural activities that fall into one of six domains: film and television production, record and stage shows, books and specialty publishing, multimedia, heritage, and arts and crafts. Design-oriented enterprises tend to fall under the heading of "arts and crafts" and benefit from several programs that SODEC sponsors, including the provision of subsidies to businesses, in the form of grants, loans, and investments. According to one official, about 40 million dollars is earmarked for this program annually to assist businesses in the commercialization and the distribution of their products (interview, SODEC official). To qualify, the enterprise must be a small or medium-sized enterprise, specializing in limited runs.

SODEC also serves as a commercial "bank." It provides similar financial products as conventional banks: term loans, revolving credit, and loan guarantees. In contrast to conventional banks, however, SODEC has developed an expertise over the years in ascribing economic value to creativity and establishing the risks involved in cultural production, so the organization will tend to charge lower interest rates. As one official acknowledges, "public institutions that give loans in cultural milieus like SODEC are very rare . . . the difference between SODEC and traditional banks is in their capacity to analyze cultural risks" (interview, SODEC official).

Apart from providing financial support, SODEC also facilitates networking between actors along the production chain. SODEC sponsors internships to link designers to established enterprises that can oversee the commercialization of their projects. SODEC also works with existing institutions or events, such as design exhibitions, to foster art-business links. A primary example of this is SODEC's support of a section of Montréal's International Interior Design Show (SIDIM), which is called "Série Limitée." According to one official, the intention of Série Limitée is to "organize some meetings between business people interested in investing in designers and art and crafts designers, in order to create some sort of momentum and possibilities for these people to work together" (interview, SODEC official).

SODEC's export program is an initiative aimed at linking Québec producers to overseas buyers. SODEC provides funding so that enterprises can develop their export markets (interview, SODEC official). SODEC also sponsors trade missions and an annual competition. With the trade missions, SODEC encourages the collective presence of Québec designers in large, international markets by coordinating a kiosk stand. These collective showings have the benefit of enhancing visibility and lowering costs (interview, SODEC official). For SODEC, exporting is viewed as a natural part of an enterprise's evolution, especially given the limited market that exists in Canada, and as a means for transmitting Québec culture.

Thus, through its wide range of programs, SODEC—like IDM—intervenes at various points in the production chain, from the commercialization of culture to its marketing and distribution. These modes of intervention reflect their conceptualization of the cultural economy as an industrial sector, a view which is also suggested by their organizational structure. For each of the domains that SODEC supports, there is an advisory committee that is regularly consulted about the challenges that sector is facing, and which is made up of the key actors implicated in the respective sectors, for example, the creators, manufacturers, distributors, and retailers. In contrast to IDM, however, cultural growth as opposed to economic competitiveness is the starting point for SODEC and is the main reason its programs support artisans but not larger, more commercial enterprises. SODEC is a unique government body within the Canadian context, providing financial resources to cultural sectors but at the same time protecting artistic autonomy in a series of easily commodified sectors (such as film and design). Its mandate is to bring together the artistic and commercial—with the aim of constructing a vibrant, diverse, and fiercely independent cultural identity. Despite the fact that it is a provincial body, SODEC also acknowledges the urban dimension of cultural production. The organization's head office is based in Montréal. According to an official, "The fact that we are situated in Montréal [rather than in the capital, Québec City] is because Montréal is the metropolis of Québec and because the activities are concentrated in Montréal" (interview, SODEC official).

SODEC thus provides a unique form of intervention in the cultural policy milieu. Its focus on the cultural dimension of cultural products clearly distinguishes it from the other programs highlighted above. However, this focus also presents one of the main limitations of its current mode of intervention—the targeting of artisanal production at the expense of support for more commercial enterprises. In a recent report documenting SODEC's current activities and the challenges it faces, analysts suggest that the small size and limited resources of artisanal forms of production are the greatest weaknesses of this sector. Few such enterprises have the financial resources to hire

paid staff, invest in new product development or update equipment (SODEC 2005, 51).

These constraints present challenges for the efficacy of SODEC interventions. A broader focus on commercial cultural enterprises and the possibility for linkages with more artisanal producers could help to overcome some of the limits of current policies. It is clear that a major concern of the organization is the protection of the unique forms of cultural identification that artisanal producers provide. There is a fear of the dilution of artistic values in a "commercial sphere." However, this is based on a partial view of the channels in which culture is transmitted and reproduced. As O'Connor (1999, 6) suggests, the "commercial" sector is "a prime site of cultural consumption for the vast majority of the population. The role of 'arts' in this configuration needs to be rethought and not just 'defended' against the vulgar market." Thus, SODEC presents yet another case where the growing interdependence between culture and economy needs to be embraced in both the vision and practice of regulatory structures. Rather than viewing artisans and industrial-oriented innovators as oppositional, complementarities and interdependencies should be explored to promote long-term viability for both.

Future Challenges to the Governance of the Design Sector

From the above discussion it is evident that a strong institutional regime has emerged for supporting design in the city, and that this policy arena has in part led to the crystallization of a vibrant cultural scene in Montréal. However, we suggest that even with an innovative policy context where cultural mandates have been important, challenges remain to build more dynamic and visionary partnerships among different levels and departments of government and between all of the actors involved in regulating design.

By its very nature, design is a difficult sector to regulate. Not only is it a cultural industry in its own right, combining economic and cultural imperatives, but it is also connected to many other spheres such as tourism, retailing, and manufacturing. An investigation of the ordering practices governing the design sector draws attention to the inherent "messiness of cultural industries" and to the preconceived objects of study that underpin urban cultural policy. We illustrate how design and culture are socially constructed through particular technologies and rationalities of government, and how current policies indicate a reductionism to essential categories such as culture and economy, art and commerce. We argue that while a range of unique initiatives have emerged within the city, these practices often privilege either the cultural dimensions of design (as in the case of SODEC) or the economic dimen-

sions (as in the case of the tax credit program, Commerce Design Montréal, and IDM). Molotch (2003, 665) suggests that designers are "a strategic entry into the problem of how economies and cultures connect because it is their job to make real the social, symbolic and aesthetic currents of their time and location." Institutional actors recognize the hybridity of design, arguing that designers "have two personalities at the same time. Because it is really arts and business and I think this is part of the problem [in regulating the sector] as well" (interview, official, City of Montréal). This dual logic of design is seen to create challenges for governance. As the director of the Institute of Design Montréal argues, "What is design? Design is everything. According to me it is horizontal, vertical. It is intellectual, but surreal as well. So it doesn't have a *place*. Some people think culture. Some people think it is economic value. It is both" (Institute of Design Montréal).

Despite the hybrid nature of design, a significant problem relates to the strong functional division of labor at all levels of government and institutional regulation. As described at the provincial level, design falls within the purview of both cultural and industrial departments, illustrating that there is often overlap and fragmentation within institutions in a regime of governance (Dean 1999, 21). An official in MDERR notes his strong desire to transcend these divisions,

> We don't really work with [SODEC]. I would like to find the overlap but it has not been the case. It is too bad. I suppose that the difference is that [the Ministry of] Culture is oriented toward art and artisan and we're thinking in terms of manufacturing and industry and I think it's wrong because we should mix both as far as creativity is concerned. . . . But one would argue that we are the business side which is not cultural and the other would argue that the cultural side is about creativity and art and has nothing to do with money and business. (interview)

City officials also acknowledge the necessity of working across departments such as economic development, culture, urban design, and tourism in an effort to foster design innovation (interviews). As Dean (1999) notes, the notion of governance encompasses an understanding of the way in which individuals and organizations question their own conduct in order to govern more efficiently. A key aspect of an analytics of government involves identifying the specific situations in which governance is called into question. While institutional inertia is a problem confronting the design sector, structures, routines, grids of analysis, and mentalities are beginning to show signs of rupture under the weight of the cultural economy. The challenge is to translate this into an institutionalized form.

CONCLUSION

In the case of Montréal, a number of recent initiatives have attempted to promote the city as a center of high fashion and design. These programs and institutions are a by-product of the cultural-economic maelstrom the city confronted in the 1970s and 1980s, including deindustrialization and the crisis of Fordism, as well as free trade, globalization, and the rise of Québec nationalism. The disciplinary effects of growing interurban competition were also important in the development of an interventionalist agenda surrounding culture, illustrating how policy arenas evolve continuously in conjunction with contextually specific economic and cultural circumstances. The institutional architecture that developed involves new technologies of government, new discourses of competitiveness and value-added production, and new subjectivities (such as the design citizen). Cultural institutions govern the behavior of a range of agents, including manufacturers, designers, consumers, students, educators, and retailers. In particular, they offer incentives to engage in more competitive and rational economic behavior on one hand and more nationalist cultural behavior on the other.

We argue that the emergence of a strong institutional base is a major reason for prominence of design in urban political discourse in Montréal and for the success of the design sector in the city. The institutional laboratory of Montréal provides a fertile terrain of policy experimentation in the field of urban cultural industries. Even though economic imperatives have often occupied center stage, Montréal is a best-case scenario for the promotion of cultural values in relation to economic values. In its desire to construct a distinct culture through the promotion of design, the city has recognized the importance of both cultural and economic rationalities. While the economic and cultural conditions that gave rise to Montréal's cultural policies were historically and geographically distinct, there are innovative policy models here that could be adapted by other jurisdictions, such as tax credits, design competitions, loans, and mechanisms for networking. In an era of globalization, it has become critically important for industries and cities to invest in design and value-added production and to carve out a unique identity that cannot be duplicated in other locales. Design is key to these competitive dynamics.

Despite the innovative policy milieu that has emerged to support design, a number of challenges remain for the future. One of the problems is that initiatives have, for the most part, not fully accommodated the hybrid nature of design. Most policies target design as a means of constructing a distinct provincial culture or as a facilitator of economic regeneration and competitiveness. Existing institutional modalities continue to separate the cultural and economic aspects of design into discrete spheres. More attention could be

devoted to merging cultural and economic imperatives. We suggest the need for strategies that recognize the inherent value of cultural industries, strategies that nurture their production at all stages along the chain and in all their forms, niche or mass-market. Such strategies require a more enabling policy environment. Greater institutional dialogue and blurring of existing functional divisions of labor can better accommodate the interdependence between economy and culture.

NOTES

1. A diverse array of activities are housed within the design sector. Industrial design, for example, includes the styling of consumer products such as sporting goods and furniture, as well as capital goods such as medical equipment. Fashion design is exclusively oriented toward the design of garments, while graphic design is focused on product packaging and advertising. Interior design refers to the decoration and styling of interior spaces such as homes, restaurants, and offices. Landscape architecture, urban design, and architecture all focus on exterior spaces.

2. This ranking is based on the total number of architects, landscape architects, industrial designers, graphic designers, interior designers, and theater, fashion, exhibit, and other creative designers (Gertler and Vinodrai 2004, 2). In this ranking, New York has a total of 35,200 designers, while the next largest center, Boston has 17,500 designers. Toronto, the third largest center of design employment, has a total of 17,300 designers (DIAC 2004). Vancouver ranks seventeenth in North America (DIAC 2004, 4).

3. Gertler and Vinodrai (2004) created a Design Index using a location quotient. A value greater than 1.0 on the Design Index indicates that a city has a higher percentage of designers in the workforce compared to the national labor force as a whole. Montréal's Design Index is 1.62 (cited in DIAC 2004). This index ranks fifth in North America (Gertler and Vinodrai 2004).

4. Of all the designers in Québec, 68% are in Montréal. The next largest center in the province is Québec City with approximately 2,500 designers. Sherbrooke, Trois-Rivieres, and Chicoutimi-Jouquiere all have a total employment in design of less than 500 (Gertler and Vinodrai 2004, 28).

5. Created in 2003, IDA brings together members represented under ICSID (International Council of Societies of Industrial Design) and ICOGRADA (International Council of Graphic Design Associations). The organization brings together 150 associations, industrialists, design offices, and universities in more than 50 countries. Montréal was unanimously chosen based on the detailed presentations of six finalist cities, including Copenhagen (ICSID 2004).

6. These interviews varied in length between one and three hours and were conducted by the authors between 2002 and 2004. The interviews were in English, although there were a few cases where a combination of English and French was used to achieve greater clarity. Participants were officials in charge of programs or organizations targeted at the design sector. They were selected based on their knowledge of particular initiatives and were generally directors of government departments or nonprofit agencies. An interview guide was used to direct the discussion. However, interviews were open-ended and participants were invited to introduce relevant issues as they saw fit. Topics included a discussion of the programs the participant ran and their history as well as the key challenges and successes achieved through these initiatives. The relationship between institutions governing design and the strengths and weaknesses of Montréal's design sector were also discussed.

7. There are some parallels here with state policies in France which have sought to protect French cinema and other creative sectors from the hegemony of U.S. culture (Scott 2000). Montréal has a continuing legacy of cultural, economic, and political ties to France, which derives much of its symbolic power from the prominence of fashion and design (Storper and Salais 1997).

8. The other six sectors cited in the report include high technology, finance and international trade, nongovernmental organizations (NGOs), tourism, transportation, and cultural industries.

9. Other unique institutions not discussed here include Sidim (the Salon Internationale du Design d'Interieur de Montréal), the Design Centre, Culture Montréal, Montréal Fashion Week, and Cité Multimedia.

10. This study was undertaken as part of two broader studies by the authors—one on the fashion industry in Montréal, and the other on industrial and graphic design in Toronto, Montréal, and Vancouver. A major impetus for the study was a recognition that many of the institutions supporting design in Montréal were absent in other parts of Canada.

11. Of all winning establishments, 46% reported an upswing in the number of customers and 51% stated they were attracting a new clientele. Of all winning designers, 80% said they gained new business contacts as a result of Commerce Design Montréal, and 46% said these contacts have led to contracts (http://www.commercedesignmontreal.com).

12. Since 2003, small and medium-sized businesses with assets less than $25 million are able to deduct 30% of design costs. For large businesses with assets over $50 million, the rate is 15%. (Government of Québec, Industrial Design Tax Credit, 1996).

13. As one example of success, a large furniture manufacturer in the province, Bestar Inc., hired an industrial designer through the tax credit program. The company's sales increased from $35 million to $70 million in four years, due in part to new products developed under the program (Anon. 1999, 2).

14. The organization was the brainchild of Helen Stavridou, Harry Parnass (a local architect, designer, entrepreneur, and professor at the University of Montréal), and Paul Dore of the Montréal Chamber of Commerce, and was initially funded by the federal and provincial governments in the wake of the Picard Report (interview, official, Institute of Design Montréal).

15. They also run another program called Enterprise Liaison helping designers to develop new products. IDM recognizes creativity and innovation in its an annual design competition. Since 1995, the organization has also run a Business Integration Program for university graduates in all design disciplines. This program offers recent graduates the opportunity to gain work experience (IDM 1999, 38). Informational workshops are also mounted for young designers, offering an introduction to project management, marketing, intellectual property, and how to start up a design firm (IDM 1999, 39).

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