

# 12 Urban Political Economy, Poverty, and Inequality in Canada

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## Introduction

Within the broad tradition of Canadian political economy, the “urban question” has long been relegated to the margins as issues of national identity and trade dependency on the British and later American empires dominated the period from the 1930s to the 1970s. Although a distinctively Canadian approach to urban political economy did not materialize, the broader “new” political economy revival of the 1970s went a long way towards establishing the significance of the urban as a space for critical engagement in and of itself. In this regard, our aim in this chapter is threefold: first, to provide a brief overview of the “new” critical urban political economy approach through the 1970s; second, to present a snapshot of poverty and inequality in Canada’s largest cities; and third, to evaluate the strengths and weaknesses of current poverty-reduction strategies with a focus on Canada’s most diverse and unequal city, Toronto.

## Urban Political Economy Takes Form

The critical urban political economy tradition is not a monolith but a broad and interdisciplinary approach concerned with the fundamental nature of capitalism as a framework of social organization. In directing attention to the ways in which the “bourgeoisie has subjected the country to the rule of the towns, created enormous cities, greatly increased the urban population and made the country dependent on the towns,” Karl Marx and Friedrich Engels showed in *The Communist Manifesto* (1848) how capitalism imposes its own dynamic on urban development. Unlike classical liberal approaches, however,

which claimed that the “propensity to truck, barter, and exchange” derived from age-old practices that gave rise to the division of labour and the Industrial Revolution, Marx and Engels argued that capitalist urbanization is inextricably intertwined with the brutal historical process of separating people from the means of providing for themselves.

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the Aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signaled the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre ... capital comes dripping from head to foot, from every pore, with blood and dirt. (Marx [1867] 1977, chap. 31)

For capitalism to become ever more dominant, the economic self-sufficiency of the feudal manor had to be broken down – that is to say, undermined or destroyed. This required bringing market forces to the countryside, which would remove traditional rights and security over the means of subsistence. The enclosure movement turned formerly communal lands into private property. Where people resisted, a series of state-sanctioned measures, including flogging, branding, and execution, ensured compliance (Perelman 2000).

The need to instil market discipline, “civilize” workers, and stamp out indolence justified the harsh measures (Fanelli and Noonan 2017). Lacking any alternative means of survival, once self-subsistent communities were forced out of the countryside and into cities. This violent historical process of dispossession not only created a wage-dependent working class that migrated in droves to cities; it also ensured that the dictates of the capitalist market – its imperatives of cut-throat competition, profit maximization, and labour rationality – regulated not just all economic activity but social relations in general (Wood 2002). In primitive accumulation’s wake, extra-economic measures were of course still used, but only exceptionally. The wage relationship became a seemingly voluntary affair as impersonal market forces both ensured and obscured working-class subordination to capital.

This historical analysis and starting point distinguishes the critical urban political economy tradition from liberal variants that naturalize

capitalist social relations.<sup>1</sup> As D.C. Thorns (2002, 7) has noted: “The earliest writers on the city sought to explain urban growth and how city life differed from country or rural life. Therefore, a strong tradition of ‘contrast’ theory creating typologies of urban and rural life emerged with writers such as Toennies (1956), and Durkheim (1960) as part of this tradition. They provided a view of urban life often overlain by nostalgia for the ‘world we had lost,’ the rural world of the small-scale, personal ‘*gemeinschaft*’ rather than the impersonal, large-scale, heterogeneous world of the city.” Whereas the poverty, malnutrition, decrepit housing, ill-health, and unsafe employment vividly detailed in *The Condition of the Working Class in England* appeared for liberal political economists as something inherently urban, a phenomenon of aggregation, or the result of individual pathologies, Marx and Engels tied these dramatic urban upheavals to the very nature of capitalist development (Engels [1845] 2010). Office buildings and large factories with sweatshop working and living conditions proliferated as the churches that once dominated the urban core gave way to new central business districts, with extreme wealth and poverty existing together. From its very start, then, the critical urban political economy tradition appeared as radical, since it sought to get to the root of the problem (capitalism), rather than deal only with its symptoms.

From the late 1880s to the 1930s, early contributions to Canadian urban political economy focused largely on institutions of local government and on British and US influence on their formation (Eidelman and Taylor 2010). Over the next four decades, debates about Canada’s dependency on Britain and the United States, fears of continental integration, and questions of national identity, particularly in the context of Quebec separatism, and constitutional reform, as exemplified by the Meech Lake and Charlottetown accords, dominated debates in the field of Canadian political economy (see Helleiner, and McBride, in this volume). Through this period, Canadian urban political economy was largely preoccupied with questions of municipal institutional functions

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1 “Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire” (Marx [1867] 1977, 508).

and public administration (Brittain 1951; Crawford 1954; Rowat 1955). As urban centres grew and suburban communities proliferated in the aftermath of the Second World War, liberal approaches to urban studies were unable to explain convincingly the growth of urban poverty and inequality through the 1950s and 1960s (Hiller 2010a, 2010b).

As Louis Guay and Pierre Hamel (2014) have argued, liberal approaches posited that urban social dislocations were a temporary stage in the incorporation of immigrant groups and migrants from rural areas. High population turnover, lack of material resources, and ethnic heterogeneity led to the breakdown of social control in immigrant-receiving neighborhoods, creating higher rates of crime and unemployment and general social marginalization. Through processes of neighbourhood invasion and succession, liberal urban political economy argued that ethnic groups that moved upwards in economic status also moved from crowded, impoverished, central city neighbourhoods through a series of concentric zones to progressively better-off areas farther from the urban core. Reality, however, increasingly contradicted this idealized typology.

For a good many working in the broader Canadian political economy framework, the urban was not seen as a politically consequential unit of analysis in the same way that cities appeared to be to US and European scholars (Eidelman and Taylor 2010). In the United States, federal power came increasingly to eclipse that of the states, cementing federal-municipal bilateral arrangements. In Canada, however, the reverse occurred. A Constitution designed to produce strong central authority evolved to make Canada one of the most decentralized federations in the Western world as the provinces jockeyed for more autonomy (Evans and Fanelli 2018). This meant that Canadian municipalities remained, on the one hand, subject to provincial rule in the absence of politically autonomous recognition and, on the other, that federal engagement with municipalities remained largely ad hoc or deinstitutionalized (Fanelli 2016).

Through the 1970s, the class compromise of the Keynesian era that had characterized the previous three decades began to unravel rapidly, with many of its most acute affects – poverty, inequality, racialization, and labour market exclusion – felt at the local level. The crisis of Keynesianism was rooted in the growing strength of labour relative to capital, which resulted in decreased profit margins as workers and poor peoples' movements challenged exploitative labour relations, restrictions on the right to organize and bargain collectively, and racial- and gender-based oppressions (Fainstein and Fainstein 1985; Levitt 1970; Panitch 1977a; Piven and Cloward 1977). The collapse of the Bretton Woods

system in 1971 ended the convertibility of gold to US dollars, and the subsequent move to flexible exchange rates further encouraged international capital flows. These changes occurred in concert with the rebuilding of the productive capacities of Europe and Japan, oil instability, capital flight to newly emerging industrial regions with cheaper pools of labour and weaker environmental standards, and technological and organizational restructuring in the manufacturing heartlands of North America and Europe. Inflation and unemployment rose simultaneously, confounding Keynes's most erudite expositors, as incipient neoliberal measures expanded (Clement and Williams 1989; Jenson 1990).

Understood this way, neoliberalism is exposed as a class project that seeks to reaffirm capital's control over labour and cede ever more avenues of social life to the dictates of market imperatives. As articulated more fully elsewhere (e.g., Evans, Joy and Shields, McBride, and Whiteside, in this volume), this vision translates into an economic policy focus on inflation control and supply-side incentives; privatization and commercialization of public sector assets and services, including public-private partnerships; liberalization of trade in goods and capital movements; restructuring of labour and business regulations to reduce market "impediments"; and the societal commodification of goods and services (see Brownlee, in this volume). Additional measures have involved efforts to keep real wages below increases in productivity, monetarist shock therapy followed by inflation targeting by the central bank, regressive tax reform, an export-led growth strategy, and the lifting of controls on foreign direct investment (FDI) and trade liberalization (see Fridell, in this volume). In terms of welfare policy, an ethos of personal responsibility and individual culpability supplemented by private charity, philanthropy, and volunteerism is prioritized in place of state-administered social programs (see Graefe, in this volume). All that said, critical urban political economists increasingly came to argue that, in order to understand what is happening at the local level, it was also necessary to consider the larger political structures of regions, provinces, and nations, including international political processes and relationships, and the ways in which local markets are connected to one another in the larger domestic and global economic environments (see McBride, in this volume).

### **"New" Political Economy and the Urban Question**

It was in this context that a "new" political economy approach challenged mainstream assumptions about geography, technology, and self-regulating markets as the main factors driving political and

economic changes (see Whiteside, in this volume). Citing the growing proportion of FDI by American firms, increased plant closures, and fears of cultural homogenization, suspicion of US influence became an important political rallying point for many across Canada through the 1970s and 1980s (Canada 1968; Laxer 1973). As High (2003, 169), notes, “[f]ar from being a tool employed exclusively by Canada’s economic and political elites, the new nationalism became a powerful rhetorical weapon in the hands of working people to be used against companies that closed plants.” Existential questions concerning the status of Quebec and constitutional changes predominated as urban political economy was viewed, at best, through the prism of intergovernmental relations and, at worst, as derivative of federal and provincial dynamics (Eidelman and Taylor 2010).

Slowly but steadily, the “New Left” Canadian political economy, like its counterparts internationally, increasingly turned its attention to questions of urbanization and urban development, urban public policy, regionalism and land-use planning, municipal elections, and intergovernmental relations, as well as local environmental, urban workers’, and poor peoples’ movements (Piven and Cloward 1977). This in turn coincided with the revival of critical political economy approaches in the United States and Europe. In France, for instance, Henri Lefebvre (1970) argued that the “urban question” was as much a product of the capitalist system as was any manufactured good. He made the case that the built environment is shaped to serve the needs of the capitalist class, and that it changes in response to periodic and inherent crises which reanimate class struggles in a continuous process of uneven development. In other words, capitalists build a physical city appropriate to a specific moment in time only to replace it later in the course of creative destruction. Lefebvre also introduced the concept of the “right to the city,” which called for a radical remaking of urban space through collective actions that challenge the power of capital and its state forms (Kipfer 2002; Purcell 2002). Likewise, Manuel Castells (1977) contended that the alienation experienced in the workplace extended beyond the confines of the factory to the very core of urban life, as evidenced through widespread social inequality and injustice. He argued that liberal urban political economy has been stuck in urbanist thinking and imbued with an implicit ruling-class bias. Castells directed attention to the role of collective consumption and social reproduction in backstopping capital accumulation, while pointing to the growing importance of social movements in challenging unequal class relations.

In the United States, these views found expression in David Harvey’s (1973) *Social Justice and the City*, which showed how some Baltimore

neighbourhoods fared better than other, largely racially segregated communities because of the profit-oriented priorities set by real estate investors, financiers, and government officials, which were linked to the decay of the central city and suburbanization of the population. Relatedly, John Logan and Harvey Molotch (1987) focused attention on urban growth coalitions – development interests, financiers, business elites, and politicians – that pressure governments to create a “good business climate.” Members of this “machine,” or pro-growth coalitions, share a common assumption that the best interests of the city and its residents are served by pursuing continuous economic growth irrespective of the social costs. The growth machine cuts to the ideological core of city power and politics as elites exert their influence on local governments to advance their own interests over those of others, such as unemployed workers and antipoverty groups.

Others drew attention to how cities serve as important nodal points in the global economy, linking together money, people, production, and commodities, with information and communication technologies and the relative ease of shipping by tanker, train, and cargo jet as key elements of the “global city” (Friedmann and Wolff 1982). Cities such as New York, London, Tokyo (and, more recently, Toronto) function as highly concentrated command posts in the organization of the world economy, standing at the apex of the global urban hierarchy because they are the financial capitals of the nations that dominate the global economy. As Sassen (1991, 2005) has argued, the concentration of finance capital in urban centres has gone hand in hand with the fragmentation and dispersal of manufacturing to non-metropolitan subsidiaries, offshore plants, and low-wage, precarious enclaves the world over. The deindustrialization of cities and entire regions dramatically altered the landscapes of metropolitan areas as many of the jobs earlier immigrants used as a path towards economic security vanished, precipitating a broader fiscal crisis of the state, since revenue needs could not keep up with service level demands (O'Connor 1973; Tabb 1982).

While distinctively urban issues remained largely peripheralized within the broader Canadian political economy tradition, contributions through the 1970s and 1980s increasingly dealt with issues specific to Canada and gained attention in the international literature. James Lorimer (1970) and others, to an extent anticipating Logan and Molotch (1987), drew attention to how private development coalitions came to dominate urban politics, which precipitated a range of local protest movements that rebelled against unchecked growth, new demands for electoral and governing reforms, and wider mechanisms for community engagement (Aubin 1972; Caulfield 1974; Sancton and

Magnusson 1983; Sewell 1972). Still others drew attention to historically undertheorized aspects of urban social life. For instance, feminist and antiracist political economists emphasized how gender differences in the experiences and uses of urban space were mediated by class, race, and sexuality, informed by the legacies of colonialism and patriarchy. They showed how women, Indigenous and racialized communities, and people with disabilities, immigrants, seniors, and youth, are more vulnerable to poverty (Massey 1984; McDowell 1983; Waldinger and Bozorgmehr 1996).

It was in this context that the Canadian subfield of urban political economy emerged from its three-decades-long eclipse by the national unity crisis. By the 1990s concerns about urban politics, economics, and social life more generally increasingly shifted from the margins of Canadian political economy to become a burgeoning field of investigation in its own right. An endogenous Canadian urban political economy, however, remained thin, “made up of orphans and islands – clusters of studies on particular topics, sometimes developed over time, other times abandoned, that are rarely connected to mainstream, national level studies of Canadian politics” (Eidelman and Taylor 2010, 967). Despite the lack of disciplinary coherence, newfound concerns proliferated, including those related to multilevel governance and urban policy (Bradford 2007; Young and Leuprecht 2006); municipal elections and voting behaviour (Cutler and Matthews 2005; MacDermid 2009; Stanwick 2000); urban planning, municipal restructuring, and public administration (Boudreau 2006; Frisken 2008; Kipfer and Keil 2002); new labour and urban social movements, as well as issues related to identity, citizenship, and group rights (Abu-Laban and Garber 2005; Fernando 2006; Stasiulis 1997).

Through the 2000s, Canadian urban political economy approaches increasingly drew attention to how multiple deprivations – lack of quality employment, low income, poor housing, ill-health, inadequate public transit, limited public services – spatially segregated inequalities among urban residents. Combined with urban sprawl, these reductions to public services further individualized responsibility (Bashevkin 2006; Wekerle 2010). Patterns of racialized urban labour market inequality intensified as neoliberalism weakened labour market protections and income security policies (Peters, Smith, in this volume). As a consequence, racialized groups and new immigrants remained trapped in low-income occupations across the labour market, with overall employment earnings below the Canadian average. This has contributed to the broader racialization of poverty, social exclusion, and urban spatial segregation (Wallis and Kwok 2008).

It is in this wider context that urban populations are finding their ability to express their collective agency and influence political decisions largely procedural and symbolic, as working-class institutions built up over generations have been eroded over some four decades of capitalist-class militancy. Many terms have been used to describe the movement away from the local provision of social welfare and services to more market-oriented development and private sector-led economic growth, including the “competitive,” “entrepreneurial,” and “corporate” city (Fanelli 2016; Keil 2009; Kipfer 2002; Kirkpatrick and Smith 2011; Leitner 1990; Peck 2014; Zukin 2009). Together, these changes can be understood as an uneven process of political economic restructuring in a matrix of multiscale institutional relationships and labour-capital conflicts; as an urban policy regime promoting local processes of marketization, public sector austerity, and flexibilization of work relations; and as a process of internationalizing the local economy.

To summarize the broad history discussed above, we can identify four general principles at the core of both international and Canadian variants of critical urban political economy approaches. The first proposes that any analysis of urban forms or urban politics must be specific to the social formation concerned. In other words, a city’s growth and particular form are not natural processes, but shaped by decisions of people and organizations that control wealth and other key resources.

Second, urban social arrangements reflect conflicts over the distribution of resources and among different elements of the urban population, notably social classes, and gender, racial, and ethnic groups. Social change – to know how urban life is formed and inequalities can be transformed through collective agency – is thus a primary concern of critical urban political economy (Albo and Fanelli 2019; Macionis and Parrillo 2009; Paddison and McCann 2014; Walton 1993; Zukin 1995).

Third, as a state is articulated on various spatial scales, scale becomes an important issue in understanding urban development trajectories (Brenner 2004; Cox 1993; Jessop 2002b). The local state, for instance, plays a significant role in urban life via the allocation of scarce resources, planning and zoning, spending priorities, housing and transit, business locations, and public spaces. Federal and provincial states are also a major influence on urban life through direct transfers, social programs, and infrastructure spending, as well as indirectly through the management of the prime interest rate for credit markets and rules governing investors. Together, these multiscale governance arrangements provide consistent and reliable enforcement of contractual relations and general fiscal conditions for economic growth via private enterprise; underwrite the private risks of production at the public expense

through tax incentives, subsidies, and depreciation allowances; maintain a stable and predictable social order, while preserving conditions amenable to capital accumulation; and use legal and juridical means, including overtly authoritarian measures, to mediate and, when necessary, discipline working-class resistance (Albo and Fanelli 2014; Hackworth 2007; Peck and Whiteside 2016).

And fourth, economic restructuring is a key influence on urban growth patterns. In contradistinction to classical liberal perspectives that posited urban economic activity was guided by self-regulating markets, critical urban political economy emphasizes the role of capital accumulation on cities and the interplay of political and economic forces in shaping the urban form as well as possibilities for change (Le Gales 2016; May and Perry 2005; Milicevic 2001; Oosterlynck 2012).

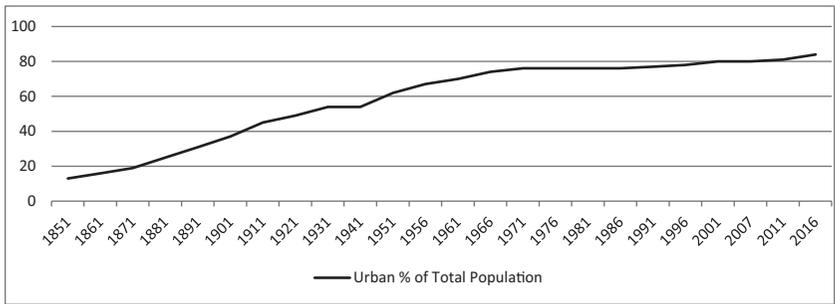
Cities increasingly are becoming the spatial location where the wealthiest and poorest members of society coexist and interact. Where the world's poor were once located largely in rural areas, today they are concentrated mostly in cities, although in the United States poverty predominates in suburban spaces. In Canada, seven out of ten of the poor live in an urban area, with particularly high concentrations of poverty in Edmonton, Montreal, Toronto, Vancouver, Quebec City, and Winnipeg. Although urban poverty is heightened in the city, it is not just an effect of the city, as larger regional, provincial, and international public policies play major roles in alleviating or accelerating poverty and inequality. In this sense, cities and their wider metropolitan regions have become pivotal sites for both the extension of neoliberal projects and of contestation. In what follows, we provide a snapshot of inequality in some of Canada's most populous cities, before turning to an assessment of Big City policies for reducing poverty.

### **Trends in Poverty and Income Inequality in Canada's Big Cities**

Canada's development over the past 150 years has been characterized by a steady increase in urbanization. In 1867, only 18 per cent of the population resided in cities. Today, 84 per cent of the country's residents live in urban centres (see Figure 12.1). However, almost 19 million people – approximately half of Canada's population – dwell in ten major cities along the country's southern border with the United States: Toronto, Montreal, Vancouver, Calgary, Ottawa, Edmonton, Quebec City, Winnipeg, Hamilton, and Kitchener.

As discussed above, over the last three decades of the twentieth century, economic restructuring, technological change, and political reorganization significantly transformed the geographic and social landscape

Figure 12.1. Urbanization in Canada, 1851–2016



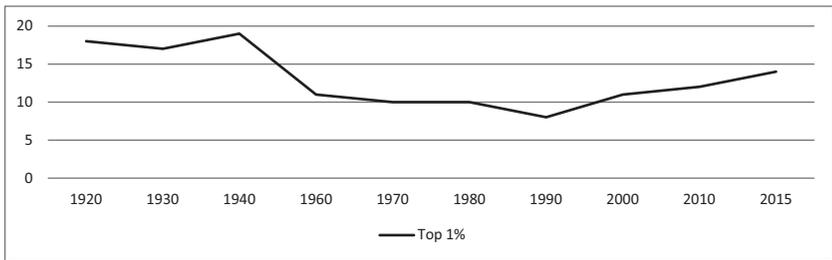
Source: Authors' compilation from diverse sources, including national census products and historical regional employment and income data (numbers rounded up).

of big cities in Canada, as elsewhere. Major urban centres across the country are marked by deeply segregated social spaces and extremes of poverty and wealth (see Peters, in this volume). One of the outstanding features of this change has been the surge in the share of total market incomes of the top 1 percent.<sup>2</sup> Using historical national data as a basis for comparison, between 1920 and 1940, the top 1 per cent of taxfilers in Canada received between 15 and 20 per cent of all market income. This share declined during the Second World War and continued to drop until 1978, when it stood at just under 8 per cent. The trend then began to reverse itself, moving steadily upwards during the 1980s, then rising sharply over the next two decades. At its peak, the share of market income earned by the top 1 per cent was almost 14 per cent. Although still below levels seen in the late 1920s, this shift represented an increase of 75 per cent over thirty years (see Figure 12.2).

Conversely, as income became more concentrated among the top earners, the lower half of income earners saw their share of total market earnings decrease. Between 1982 and 2014, the proportion of market income earned by the bottom half of earners fell dramatically, by 28 per cent, while the share earned by the top half increased by only 5 per cent. The largest gains were made in the highest earning brackets: the top 1 per cent saw their share rise by 53 per cent, the top 0.1 per cent by 90 per cent, and the top 0.01 per cent by 133 per cent (see Figure 12.3).

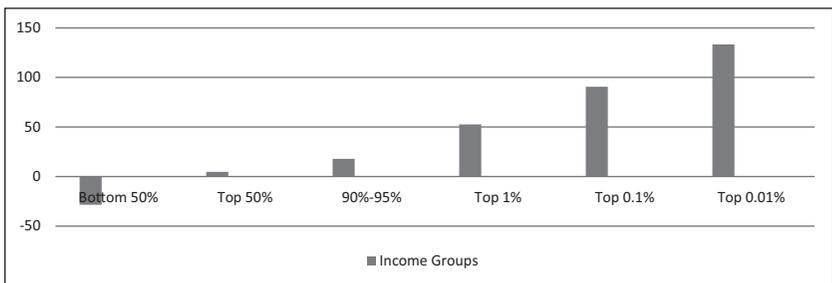
2 This section draws exclusively on the data findings in Statistics Canada (2018).

Figure 12.2. Change in the Share of Market Income of the Top 1 per cent, Canada, 1920–2015



Source: Statistics Canada, CANSIM database, table 204-0001.

Figure 12.3. Differences between Top and Bottom Income Earners, Canada, 1982–2014

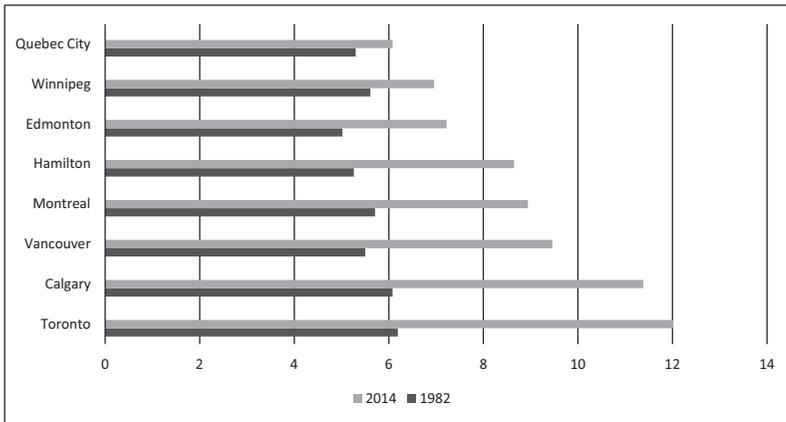


Source: Statistics Canada, CANSIM database, table 204-0001.

The surge in the top 1 per cent’s share of market income between 1982 and 2014 occurred in all large Canadian cities, but, as Figure 12.4 shows, the increase was largest in Toronto and Calgary (see also Heisz 2015). In Toronto, the ratio roughly doubled from about 6:1 in 1982 to 12:1 in 2014. In Calgary, it rose from about 6:1 to about 11:1 (Murphy and Veall 2015). Put differently, as cities have increased in size over the past thirty-five years, whether through agglomeration, migration, or changing labour markets, urban inequality and poverty have also increased (Baum-Snow and Pavan 2012).

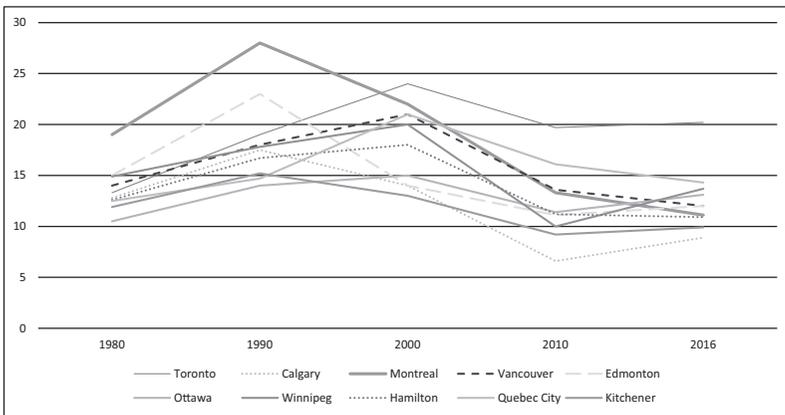
After peaking in the mid-1990s, poverty rates in Canada’s largest cities declined slowly until the Great Recession of 2008. Since then, poverty rates have trended upward once again. In Toronto, however, poverty declined the least of any of the big cities during the pre-recession period,

Figure 12.4. Share of Total Market Income of the Top 1 per cent, Canada's Biggest Cities, 1982 and 2014



Source: Statistics Canada, CANSIM database, table 204-0002.

Figure 12.5. Poverty in Canada's Ten Largest Cities, 1980–2016



Source: Authors' compilation from census data.

and during most of the years since 2008 has remained the highest, at around 20 per cent. Toronto, in fact, has become the most unequal and polarized city in Canada, with inequality increasing by 68 per cent between 1980 and 2016, and poverty by 51 per cent (see Figure 12.5).

Canada's biggest cities have become more unequal. Although the extent and pace of change have varied from one city to another, the gap

between rich and poor is widest in Toronto, followed closely by Calgary and Vancouver. Profound changes on both the economic and social fronts over the past thirty-five years have given rise to diverse political responses and experiments in urban policy making. Recently, many large municipalities have developed plans, policies, and strategies to reduce poverty and income inequality.

### **Surveying Big City Poverty-Reduction Plans, Policies, and Strategies**

In 2010, the City of Ottawa became the first major Canadian city to adopt a poverty-reduction strategy, *Poverty Affects Us All: A Community Approach to Poverty Reduction*. The strategy is currently the most comprehensive and community-driven antipoverty policy of any of Canada's big cities. It seeks to reduce poverty along three major axes: enhancing, improving, and streamlining social services; strengthening marginalized communities and neighbourhoods through social infrastructure development, housing, and workforce development (training, education, apprenticeships); and promoting a communication plan to confront the myths and stigmas related to poverty and low income (Ottawa 2010).

The City of Calgary released its poverty-reduction strategy in 2015, *Enough for All*. Although the strategy is the boldest of any city with a dedicated plan in terms of targets and timelines (cutting poverty by 50 per cent by 2023), its asset-building approach to reducing poverty is the narrowest and most top-down. Programs designed to increase financial literacy and access to (financial) educational services and entrepreneurial opportunities, such as starting a small business and obtaining micro-loans, are centralized in community hubs across poor and low-income neighbourhoods. The strategy seeks to build public awareness and align poverty-reduction activities around financial empowerment (Calgary 2015).

The City of Edmonton released its poverty-reduction strategy, *End Poverty in a Generation: A Road Map to Guide Our Journey*, in 2016, and is the most innovative of the big city strategies in terms of partnerships. This plan takes a mid-range approach to reducing poverty, attempting to combine a top-down, asset-building approach with a bottom-up, community-building implementation model. The strategy is driven by a unique governance model, a secretariat, that draws on keystone partners – such as the United Way Alberta Capital Region, Edmonton Community Foundation, University of Alberta Community University Partnership, and Edmonton Social Planning

Council – to oversee implementation, track progress, and ensure continued and extensive community engagement. The core of the strategy, however, focuses on asset building, underpinned by social investments in early childhood, youth, and adult education and training (Edmonton 2016).

The City of Hamilton released its poverty-reduction strategy in 2017, but the plan lacks clarity around targets and timelines as well as programs and implementation mechanisms, and focuses, almost entirely, on the issue of affordable housing.

Vancouver, Kitchener, Quebec City, Montreal, and Winnipeg have not yet released dedicated poverty-reduction strategies. They do, however, have a range of antipoverty policies in place, and Vancouver is in the early stages of community consultations towards a dedicated strategy (see Table 12.1).

Lastly, the City of Toronto released its poverty-reduction strategy in 2015 (Toronto 2015). We have singled out this strategy for a more detailed examination for two reasons. First, Toronto’s antipoverty policy might be of special interest to students of urban political economy because, as noted above, Toronto is the most unequal city in Canada, with the highest and most persistent rate of poverty. Second, by taking a closer look at how the biggest and most diverse city in the country has proposed to address these issues, we will be able to tease out and highlight some of the complex linkages among economic restructuring, spatial reorganization, social crises, and neoliberal urbanization in Canada.

Table 12.1. Plans, Policies, and Strategies to Reduce Poverty, Canada’s Ten Largest Cities

City	Rank and Population	Strategy Name, Date, Targets	Priority Areas
<b>Toronto</b>	#1 5,928,040*	<i>TO Prosperity Poverty Reduction Strategy</i> (Toronto 2015); twenty-year plan.	Housing stability, service access, transit equity, food access, quality jobs, livable incomes.
<b>Montreal</b>	#2 4,098,927	No dedicated strategy; social development plan, <i>Montréal de tous les possibles!</i> (Montreal 2017).	Housing, food, homelessness, immigrant integration, education and training.

City	Rank and Population	Strategy Name, Date, Targets	Priority Areas
<b>Vancouver</b>	#3 2,463,431	No dedicated strategy; <i>A Healthy City for All</i> , four-year action plan (Vancouver 2015) to reduce poverty by 75% by 2025.	Food security, homelessness, housing, recreation, transportation.
<b>Calgary</b>	#4 1,392,609	<i>Enough for All Poverty Reduction Strategy</i> (Calgary 2015); goal is to reduce poverty by 50% by 2023.	Food security, homelessness, housing, recreation, transportation, payday lending.
<b>Ottawa</b>	#5 1,323,783	<i>Poverty Affects Us All: A Community Approach to Poverty Reduction</i> (Ottawa 2010).	Health, education and learning, community participation, public awareness, income and employment, affordable housing.
<b>Edmonton</b>	#6 1,321,426	<i>End Poverty in a Generation: A Road Map to Guide our Journey</i> (Edmonton 2016); goal is to lift 100,000 people out of poverty by 2021.	Eliminate racism, livable wages, affordable housing, accessible and affordable transit, affordable and quality child care, access to mental health services.
<b>Quebec City</b>	#7 798,162	No dedicated strategy; city is part of the Quebec Regional Development Plan, 2021.	Inclusive economic development with a focus on Indigenous engagement.
<b>Winnipeg</b>	#8 778,489	No dedicated strategy.	None.
<b>Hamilton</b>	#9 747,545	Housing strategy; \$50 million, ten-year plan to reduce poverty (2017).	Housing; strategy sets aside \$10 million specifically to address Indigenous poverty and housing.
<b>Kitchener</b>	#10 523,894	No dedicated strategy; community strategy, <i>Love My Hood</i> (Kitchener 2017).	18 actions to improve quality of life.

Note: Population figures are for the Census Metropolitan Area, 2016 census.

## **From Bust to Boom to Bust: Reducing Poverty in Canada's Most Unequal City**

The economic recession that engulfed most of the country in the early 1990s was especially severe in Toronto. For example, the median family income in the city fell 13 per cent compared with 2 per cent in all of Canada. Lone-parent families were particularly hard hit: their already-low median income declined a further 18 per cent. The financial situation also worsened for single people, whose median income fell by 12.5 per cent (United Way of Greater Toronto 2002). While struggling to recover, the city was profoundly affected by a restructuring in governance, a shift in demographics, and intensification of redevelopment in the urban core.

In the mid-1990s, Progressive Conservative premier Mike Harris's neoliberal growth strategy centred on transforming Toronto into a global city, one able to compete with top-tier cities such as New York, London, Paris, and Tokyo (Ibbitson 1997; see also Evans, in this volume). Harris's plan included, among other things, amalgamation of Metro Toronto's lower- and upper-tier municipalities. Prior to restructuring, Metro Toronto consisted of six cities: Toronto, North York, East York, York, Scarborough, and Etobicoke. Each of the lower-tier municipalities had councillors directly elected by the people, and Metro Council was composed of representatives from the lower-tier municipalities. In 1998, the premier amalgamated the six lower-tier cities and the upper-tier Metropolitan Toronto into one government and one administration that would be called the City of Toronto. One hundred and twenty councillors and six mayors were reduced to forty-four councillors and one mayor.

Government restructuring resulted in unexpected social costs. Because medical facilities, social services, and transit were much better in Toronto than in smaller surrounding municipalities, after amalgamation many low-income people, particularly those with special needs, migrated into the city centre. In addition to these pressures, population growth produced unprecedented demographic changes. From 1976 to 2016, the population in the downtown core doubled, from 102,000 to over 200,000. Furthermore, in 2016, 63 per cent of the population identified as a visible minority and more than 50 per cent were immigrants (Toronto Foundation 2017). In a very short span of time, Toronto became the most multi-ethnic and multiracial city in Canada.

Urban redevelopment further transformed the new "City of Toronto." At the end of the 1990s, Toronto's inner city underwent a major building boom that continues to this day. A 2013 TD Bank report found that,

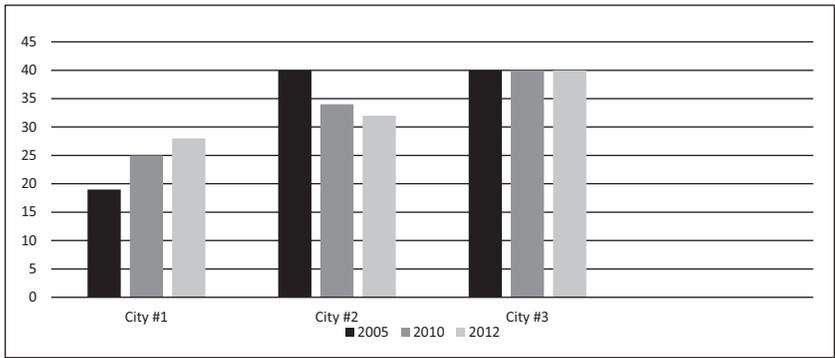
between 2009 and 2012, 4.7 million square feet of office space were built. With only 3 per cent of the City of Toronto's land area, the downtown core produces 51 per cent of its GDP, 33 per cent of all jobs, and has 25 per cent of the city's tax base. Over 100,000 people work in high-paid jobs in the banks, brokerage houses, and insurance companies along Bay Street. Government, financial services, and tourism are the core of the city's economy. Low-paid retail, however, is the largest employment sector (cited in Freeman 2017, 108–10).

As a result of these socio-economic changes, a chasm developed between high-paid white-collar jobs and low-paid services sector work that transformed Toronto's neighbourhoods into three cities. City #1 increased in size from 7 per cent of the city to 15 per cent, and included wealthy neighbourhoods in the downtown core, where incomes were 40 per cent greater than the metropolitan average. City #2, the middle-income area of the city, shrank dramatically. The proportion of middle-income neighbourhoods with incomes less than 20 per cent above or below the metropolitan average declined from 66 per cent of the city to 29 per cent, forming a narrow ring around the wealthy downtown core. City #3 comprised the lowest-income neighbourhoods on the edge of the city, including Scarborough, the northern fringe of North York, almost all of Etobicoke, as well as large parts of the former municipalities of York and East York. In a period of thirty-five years, the size of poor neighbourhoods increased from 19 per cent to 53 per cent of the city (Hulchanski 2010).

Globalization in the first half of the first decade of the new millennium produced a booming economy, new jobs, and increased opportunities for improved market incomes. For many, however, especially women, youths, immigrants, lone-parent families, and racialized groups, new prosperity would be short-lived. The global financial collapse of 2008 caused a spike in metropolitan poverty rates and a deepening of urban spatial inequality (see Figure 12.6). Although poverty rates have since decreased slightly, poverty persists, especially among certain population segments and in neighbourhoods on the outer margins of the city (Hulchanski 2015).

Census data show that, in 2016, 20.2 per cent of Toronto's population, or 543,390 people, live on low incomes, according to Statistics Canada's Low-income measure after tax. Although Toronto's low-income rate had declined by a modest 2 per cent since 2010, it was still higher than that for Canada as a whole (14.2 per cent) or Ontario's (14.4 per cent). The census data also show that the low-income rate is higher among visible minority groups in Toronto, and not just because many are recent immigrants – in some populations, such as Black and Latin

Figure 12.6. Neighbourhood Income Change: Toronto's Divided Three Cities, 2005 and 2012



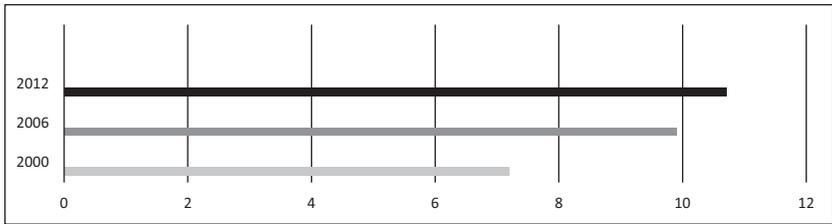
Source: Hulchanski (2015).

American Torontonians, low-income rates are higher among those whose families have been in Canada for three generations or more (Toronto 2017).

Poverty among lone-parent families is on the rise. In 2016, 19.7 per cent of lone-parent families lived in poverty compared with 17.6 per cent in 2008. Of poor, lone-parent families in 2016, 89 per cent were female-led. Notably, in the years since the Great Recession of 2008, the poor have become very poor. By 2016, the poverty gap – the difference between the poverty line and actual household income, expressed as a percentage of the poverty line – had reached 33 per cent (Toronto 2017). According to the Daily Bread Food Bank, food bank usage increased by 9 per cent in one year from 2016 to 2017. The share of Daily Bread member agencies’ clients ages sixty-five and older increased by a stark 27 per cent in 2017. In food bank surveys, 14 per cent of clients who were children reported going hungry at least once a week, while 41 per cent of all clients reported not eating for an entire day. The four most-cited living costs paid at the expense of buying food were rent, utilities, phone, and public transit (Daily Bread 2017).

Perhaps the most striking change of all has been the sharp increase in the working poor – defined as someone with earnings of at least \$3,000 a year, between the ages of eighteen and sixty-four, not a student, and who lives independently (Stapleton 2019). As Figure 12.7 shows, the rate of working poverty in Toronto increased from 7.2 per cent in 2000 to 10.7 per cent in 2012. Working poverty, moreover, is concentrated

Figure 12.7. Working Poverty Rate, Toronto, 2000, 2006, and 2012



Source: Stapleton (2019).

among younger workers ages eighteen to twenty-nine (23 per cent), singles (34 per cent), and lone parents (29 per cent). A job no longer guarantees freedom from poverty.

In 2015, Toronto City Council unanimously approved *TO Prosperity: Toronto Poverty Reduction Strategy*. Designed as a twenty-year strategy, *TO Prosperity* contains seventeen recommendations divided into six core areas: housing stability, service access, transit equity, food access, quality jobs and livable incomes, and systemic change. *TO Prosperity* was conceived as part of two larger political processes. One was existing City policies and programs aimed at leveraging Toronto's economic power to drive inclusive economic development. The second was the provincial government's ten-year roadmap to structural reform of Ontario's income security system, *Income Security: A Roadmap for Change* (Toronto 2017).

As a starting point, City Council allocated \$24.5 million to its first poverty-reduction efforts in the 2015 budget. In the City's first Action Plan (2015–18), City Council approved a set of immediate priorities and spending of \$58.3 million from existing funding commitments as well as \$11.4 million in new funds. The \$58.3 million included new provincial funding for the child care system and a new request for the expansion of the Toronto Urban Health Fund. The \$11.4 million in new funds included the City's contribution towards its 20 per cent share of the Child Care Growth Strategy, the low-income transit pass, and student nutrition programs.

The first Action Plan (2015–18) saw the implementation of a broad range of initiatives (see Table 12.2). However, the City's poverty-reduction strategy was designed to leverage interconnected and complementary policies and strategies to focus on inclusive economic development. This included the following policies: Social Procurement, Anchor Institutions, Decent Work & Job Quality, and Community Benefits Framework. Specifically, in 2017, the City adopted a new Social Procurement program

Table 12.2. Toronto Poverty-Reduction Strategy Action Plan, 2015–18

Issue	Housing Stability	Service Access	Transit Equity	Food Access	Quality Jobs and Liveable Wages	Systemic Change
Primary plan(s)	Housing Opportunities Toronto 2010–20 housing plan	Child care	Free and fair transit passes	Food Reach web portal	Partnership to Advance Youth Employment & Youth Employment Partnerships	Created Lived Experience Advisory Group (LEAP)
Targets & objectives	1,000 new affordable rental and 400 new affordable ownership homes	To serve 50% of children ages 0–4 by 2026; reduce parent fees by 25% to 40%	Free transit passes for children 12 and under; reduced fair for low-income adults 18–64	Provide information to community agencies to purchase food at wholesale prices	To connect youths with employers	To provide advice on development of various programs and policies across the City
New policy instrument(s)	Housing allowance	Recreation subsidies	Equity assessment tool; low-income advisory group	Technology-based, multilingual website	Learning and networking events	Enhanced public consultations

with two components: a Supply Change Diversity component aimed at certifying diverse suppliers, and a Workforce Development component to provide training, apprenticeship, and employment opportunities for people experiencing economic disadvantage, including women and Indigenous and racialized people. The City also created the AnchorTO initiative in 2017 to embed social procurement processes across the public sector. To this end, the City partnered with the Atkinson Foundation, eight post-secondary institutions, four provincial agencies, corporations, and divisions, and two non-profit builders (Toronto 2017).

The City has yet to respond fully to the Ontario government's 2018 legislation, the Fair Workplaces, Better Jobs Act, which increases the minimum wage and strengthens the Employment Standards Act of 2000 and the Labour Relations Act of 1995 to reduce precarious employment. The City also has in place a Fair Wage Policy that expects subcontractors to pay a fair wage. The policy is reviewed every three years, but has no enforcement mechanism.

In 2015, prior to these antipoverty initiatives, the City created a Community Benefits Framework that allows it to ask developers to provide community benefits when requesting a zoning by-law amendment for increased height and/or density. These benefits include affordable housing, recreation centres, child care centres, park improvements, public art, heritage preservation, streetscapes, and space for non-profits. Lastly, the City's *Poverty Reduction Strategy* proposes to align with Ontario's 2017 income assistance review – *Income Security: A Roadmap for Change* – in three key areas: financial benefit adequacy and simplification, the need to provide robust housing supports (and move essential health and housing benefits outside the social assistance system), and the importance of promoting a culture of respect, dignity, and collaboration between clients and staff (Toronto 2017).

### **Assessing Big City Strategies to Reduce Poverty**

The recent proliferation of poverty-reduction strategies, plans, and policies in big cities across Canada suggests that the redistributive function of the welfare state has either become weaker or remained more or less the same as in the 1980s. In other words, the Canadian welfare state has been unresponsive in the face of the deep recession of the early 1990s and the global financial collapse of 2008. In the rare cases where redistribution increased (e.g., child benefits and working tax credits), these have not been enough to check the increase in poverty and market income inequality against the backdrop of urban globalization: the rise of global cities in Canada.

In September 2015, the United Nations' seventeen Sustainable Development Goals (SDGs) were affirmed by leaders of all 193 UN member states, and apply to countries at all income levels. Among these goals are achieving full gender equality, quality education, universal access to health and well-being, decent work, and sustainable cities and communities. The number one SDG, however, is ending poverty in all its forms – a useful objective and commitment against which to assess big city poverty-reduction strategies in Canada. This goal is also helpful to gain a deeper understanding of the potential for urban poverty-reduction strategies to check and then reverse the increase in income inequality, to halt the decline of the middle class, to protect the rights of workers, and to reorient the spatial divide between rich and poor neighbourhoods.

In signing on to the SDGs, the UN members agreed to cut their national poverty rate by half by 2030. In this regard, McArthur and Rasmussen (2017, 1–3) evaluated Canada's cities based on no fewer than seventy-one indicators, and determined that none of the poverty-reduction strategies then in place in Calgary, Toronto, Montreal, Vancouver, and Winnipeg fully aligned with the UN goal or was on track to meet the 2030 target. Municipal strategies tend to have better-defined targets than their provincial counterparts, but they are not ambitious nor do they adequately tackle the issues of social inequality or economic opportunities. Additionally, city strategies appear limited in what they can achieve in terms of community building and neighbourhood-to-neighbourhood equity, access to green spaces and parks, affordable housing, and public transportation for low-income people. On the upside, all major cities have surpassed standards for addressing extreme income poverty (the number of people living below \$8,000 per year) and average educational outputs. Nonetheless, market incomes (wages), social inequality, and food insecurity are heading in the wrong direction (McArthur and Rasmussen 2017, 30–1). That is, poverty-reduction strategies that privilege inclusion in economic development with few social development or redistributive mechanisms will not be enough to correct our current course as major Canadian urban centres continue to globalize.

## Conclusion

Although it is too soon to provide a more comprehensive evaluation of big city poverty-reduction strategies, even a limited empirical assessment of urban antipoverty strategies as measured against the UN's Sustainable Development Goals can inform political debate. It was, after

all, political changes over the past thirty-five years, and especially since the mid-1990s, that weakened the welfare state, stripped labour of its bargaining power, and flattened progressive taxation. It was political decision making that led to the concentration of wealth and market income in a few individuals in the top 1 per cent and big cities that are growing poorer and more unequal. In this regard, the critical urban political economy perspective is a holistic approach to understanding urban social life in a manner that denaturalizes capitalist social relations. In this framework, the starting point is not individuals and their values, beliefs, or attitudes, but the structural reproduction of urban space and society as a whole.

A distinctively Canadian urban political economy approach has been slow to emerge, but the broader New Left revival of the 1970s emphasized that "urban" issues could not be understood outside the wider political and economic context of capitalism. Canadian cities have yet to experience an urban crisis of commensurate social, political, and economic significance to that of their US neighbours, yet they are starting to experience many of the same symptoms, including ethno-racial and income segregation, urban-suburban conflicts, and a revenue crisis begat by decades of tax cutting and constitutional constraint, provincial downloading, and federal ad hockery. In this regard, the "Canadian" urban political economy perspective continues to offer fertile terrain on which to begin thinking critically about the interplay of sociopolitical and economic forces, their effects on everyday life, and the transformative potential of urban spaces in larger domestic and international contexts.