Placing Social Policy? Reflections on Canada’s New Deal for Cities and Communities

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Abstract
This article analyses the New Deal for Cities and Communities pursued by the federal Liberal government between 2004 and 2006. Situating the initiative in broader urban policy debates about the merits of place-based interventions in tackling problems of poverty and exclusion, it is argued that the New Deal represented a novel attempt at “interscalar policy coordination” within Canadian federalism. Three specific policy tools are identified as central to the New Deal framework—municipal revenue transfers; urban development agreements; and community action research. To understand the New Deal’s impact, the implementation of these tools is explored in the context of the City of Toronto’s concern with distressed neighbourhoods. Finding gaps in the application of the tools to the city’s social development priorities, the article identifies limits in the federal government’s policy vision and highlights four institutional factors impeding progress: jurisdiction; money; machinery; and time. The arrival in power of the Harper Conservative government, adhering to a traditional view of inter-governmental relations, is likely to reduce federal interest in tackling these obstacles to urban social policy.

Keywords: new deal for cities and communities, distressed neighbourhoods, place-based policy, interscalar policy coordination
Résumé

Mots clés: Nouvelle Affaire pour Villes et Communautés; quartier pauvres; politique basée sur les communautés et les villes; coordination de politique interscalaire.

Introduction
In recent years, poverty in countries across North America and Europe has become more concentrated and entrenched in particular areas within large cities. Research has documented growing income polarization across metropolitan spaces, and the persistence of “distressed neighbourhoods” where high poverty and low services exclude many urban residents from the mainstream economy, society, and policy. Faced with the destabilizing effects of this new urban geography of poverty, a number of OECD governments have turned to social policy strategies incorporating a strong local dimension (OECD 1998, 2006).

Among the most prominent policy developments has been introduction of spatially targeted or area-based interventions in specific neighbourhoods. The merits of this approach reside in the attention paid to local conditions, the recognition of the need for grass-roots policy engagement, and the potential for more ‘joined-up’ solutions. However, it is not readily apparent whether such localized responses can address the wider structural forces that are understood to create the new forms of urban poverty and social exclusion. Their implementation may only confirm the retreat of the state from the kind of universal social policies that remain the foundation of inclusive cities.
This article explores these challenges in relation to recent departures in urban policy in Canada at the federal level. Canadian public policy has never featured the American pattern of community anti-poverty action, nor the European tradition of state orchestrated urban regeneration policy. Yet, after nearly three decades of disengagement from urban affairs, the federal Liberal government in 2004 and 2005 boldly launched a “New Deal for Cities and Communities.” We identify three main New Deal policy tools and track their application to the problems of spatially concentrated urban poverty. Reporting on experiences in Toronto we argue that while Ottawa’s New Deal agenda contained some promising elements, its impact on neighbourhood distress in the country’s largest city was limited. Accounting for this outcome, we conclude, requires consideration of both the conceptual limits in the New Deal social vision and the institutional obstacles to federal policy leadership in Canadian urban affairs.

Distressed Neighbourhoods: Two Logics of Policy Intervention

Canadian cities have not experienced the acute problems of poverty, exclusion, and segregation evident in some American urban centres. However, a number of recent studies on Canadian poverty highlight negative trends across the census metropolitan areas (CMAs), particularly in large cities like Toronto and Montreal. Kevin Lee found that the growth of the poor population in the CMAs in the 1990s was much greater than elsewhere in the country, with a rate of 33.8 percent as compared to 15.2 percent (Lee 2000). In 1995, the proportion of low-income neighbourhoods in Canadian cities was nearly double the number in 1980. There was also significant variation in poverty levels across metropolitan areas, as distress clustered in either inner city or older suburban neighbourhoods. In their 2004 analysis, Heisz and Macleod report that the proportion of low income neighbourhoods across all CMAs fell back to 1980 levels as economic conditions improved, however the income gap between richer and poorer neighbourhoods widened between 1990 and 2000 (Heisz and Macleod 2004). In Toronto, they observe that median family income in the richest ten percent of neighbourhoods increased seven times faster than it did in the poorest ten percent of neighbourhoods over the period 1980 to 2000.

Indeed, Toronto’s growing poverty challenges have been well documented by the Greater Toronto United Way (GTUW) and the Canadian Council of Social Development (Greater Toronto United Way 2004). The 2004 Poverty by Postal Code report compared census tract data from 1981, 1991, and 2001. It found that Toronto’s poverty rate increased substantially more than the national trend. Across the twenty years, the number of higher poverty neighbourhoods grew from 30 to 120, with dramatic increases in the older suburbs of Scarborough and North York. By contrast, in the suburbs beyond the city’s boundaries, there was only one higher poverty neighbourhood in 2001. And more than 43 percent of
poor families in 2001 resided in higher poverty areas compared with 18 percent in 1981, indicating a declining social and economic mix in neighbourhoods. Finally, there were striking increases in the number of poor immigrant and visible minority families living in areas of high poverty.

This body of research indicates that particular urban neighbourhoods in Canada are the places where polarization and exclusion are now experienced most intensely. When presenting *Poverty by Postal Code*, GTUW President Frances Lankin pointed out: “concentrated urban poverty is a major problem in our neighbourhoods, in our city, in, consequently, our country ... all governments [need] to put neighbourhoods on the public policy agenda” (Lankin 2004: 3). In defining such an agenda, however, two somewhat distinct readings of the new urban social policy can be identified. As we shall argue, these two perspectives are not mutually exclusive, but each emphasizes a particular scale of policy action (community/municipal or federal/provincial) and preferred mode of social intervention (spatially targeted or generally available). These perspectives have informed the recent Canadian urban policy discussion, and we begin by outlining their respective logics.

*Place Matters and Spatial Targeting*

The first perspective takes its inspiration from the “new localism” that emphasizes the knowledge, networks, and assets of community organizations and municipal officials (Clarke and Gaile 1998; Gertler 2001). In discussing “socially sustainable cities,” Richard Stren and Mario Polèse are critical of prevailing social theory and policy analysis because they have “tended to remain at a macro-level, often ageographic and aspatial” (Stren and Polèse 2000: 14). This research, they argue, fails to appreciate the critical role that local actors play in shaping the fortunes of their cities in a global age. How municipal or regional governments manage their territory as a social space is an important determinant of opportunity and well-being for urban residents. Inclusive places are constructed through local choices about seemingly “banal” and “prosaic” matters of territorial management—the design of streets, the location of employment nodes, access to living space and civic places, and modes of transportation (Stren and Polèse 2000: 14, 33). The urban policy focus shifts from “nationwide aspatial policies (social legislation, fiscal policy, immigration laws, and the like)” to local policy decisions that integrate physical design and the community infrastructure of the city (Stren and Polèse 2000: 17). Socially sustainable cities facilitate strong associational networks, and help reconnect distressed neighbourhoods and their residents to the economic and social mainstream of the city (Leviten-Reid 2006).

While privileging local factors in shaping urban social sustainability, this perspective does not advocate that upper level governments disengage from city affairs, leaving localities to finance services or plan development on their own. The
call is for more collaborative forms of governance, most importantly in the city
itself across public, private and third sector organizations, but also between the
locality and the extra-local public agencies that flow the resources and assistance
required to solve complex problems of poverty and exclusion (Sandercock 2004).
Upper level governments should support community-building strategies through
spatially targeted interventions that engage and empower local networks as prob-
lem-solving agents (Healey et al. 2002). Mobilizing resources in the specific areas
where the problems manifest themselves, national governments can ensure their
interventions respect municipal plans, tap local knowledge, and leverage neigh-
bourhood assets. “Our emphasis,” Stren and Polèse write, “must be on local poli-
cies and on local institutions, even though the broader forces conditioning the
dynamic of urban change incorporate complex elements from larger and more
inclusive systems” (Stren and Polèse 2000: 14, emphasis in original).

Structure Matters and Aspatial Policies

It is these broader forces that provide the departure point for the second policy
perspective on the new urban poverty. Economic restructuring and policy
realignments taking place at scales well beyond the local community have
transformed the political economy of all OECD countries since the mid 1970s
(Brenner 2004). The demise of the Fordist era of industrial production has
resulted in a polarized and fragmented labour market, characterized by longer
term unemployment, and contingent, low paid work in the expanding service
sector. And national welfare states, facing their own expenditure pressures in the
context of economic decline and global competition, have been slow to adapt their
social policies to the new risks (Moulaert, Rodriguez, Swyngedouw 2003). From
this perspective, durable solutions to concentrated poverty depend on aspatial
policies—that is, the macro-level social and economic measures undertaken by
national governments (federal and provincial) which alone possess the financial
resources, technical expertise and administrative capacity to provide inclusive
or sustainable cities. Programs for income security, health, education, and
employment are termed aspatial policies since they are not targeted at particular
geographic locales. They provide benefits to all who qualify regardless of where
they live, and in so doing help reduce income polarization and enhance the social
mix within and across metropolitan spaces.

In the Canadian context, the case for general policies has been made by Anne-
Marie Séguin and Gerard Divay. They argue that “government actions should
focus essentially on more generalized intervention, intended for individuals and
families, if they wish to convert neighbourhoods with concentrations of poverty
into socially sustainable communities” (Séguin and Divay 2002: 17). Recognizing
that an emphasis on “universal policies” may seem surprising in addressing local-
ized problems, Séguin and Divay make a number of points (Séguin and Divay
2002: 19). They remind that the analytical case for targeted policy in the Canadian urban context is not entirely persuasive. The few empirical studies of “neighbourhood effects” in Canadian cities suggest that life chances are influenced more by individual or family characteristics than residential conditions or place qualities (Oreopoulos 2002, 2005). Moreover, targeted interventions miss the vast majority of poor people who live outside the selected areas, raising the possibility that problems will be displaced rather than resolved. Place-based policies also take scarce resources from the main social policy levers of inclusion while obscuring “the supralocal institutional contexts in which territorial inequalities are generated” (Brenner 2004: 274). Reflecting on four decades of American experience with community development, Alice O’Connor confirms that neighbourhood revitalization efforts remain vulnerable to “an overarching policy agenda” that takes little account of impacts on distressed localities (O’Connor 1999: 117).

Towards an Integrated Approach

Despite their different emphases, analysts from each of these perspectives acknowledge that a robust urban anti-poverty approach would incorporate both place-based interventions and macro-structural policies. For example, Erik Swyngedouw and his colleagues conclude a withering critique of “spatially targeted and place-focused approaches” by noting that their intent was not “dismissing community capacity-building and local-level initiatives, but an expression of the view that they need to be framed within general redistribution and regulatory policies at a higher level” (Swyngedouw et al. 2002: 217). From the bottom up, Mario Polèse similarly emphasizes that for urban social sustainability “national governments (or state/provincial in federations) must remain important actors at the local level” (Polèse 2000: 324). For their part, Séguin and Divay seek an “integrated approach emphasizing the complementarity of actions throughout the urban community” (Séguin and Divay 2002: 25).

However, there is a need to push these general statements further. The implication is that targeted policies need not become a series of fragmented interventions leaving a patchwork of partially revitalized places, and that central policies can be something other than a top down imposition of sectoral programs insensitive to local priorities (McGregor et al. 2003; Anderson and Musterd 2005). The challenge is to create institutional mechanisms and governance arrangements that link area-based initiatives with upper level policy making (Bradford 2005; Geddes and Benington 2001). In this way, lessons from localized projects can be “mainstreamed” to reshape policies and programs, at the same time that the territorial experimentation remains framed by national standards or guidelines.¹ Neil Brenner critiques most neighbourhood-based approaches in Europe precisely because they are not “coherently integrated” into broader social and economic policies.
(Brenner 2004: 274). Emphasizing the importance of such “interscalar coordination,” Brenner adds:

This pessimistic assessment is not intended to deny the possibility that neighbourhood-based initiatives might play a stabilizing progressive role in processes of urban regeneration ... but only if they are systematically linked to, and integrated within, a broader European and national redistributive political agenda (Brenner 2004: 274).

But how might such systematic links be constructed, and what form could they take? How can targeted initiatives and aspatial policies actually work together? How does “interscalar coordination” happen in practice? Little attention has been paid to these questions in Canadian urban policy analysis. The rest of this article takes up the issues in the federal context of the New Deal for Cities and Communities and its connection to social development and neighbourhood revitalization in Toronto.

**Changing Federal Urban Agenda: New Deal, New Tools**

In bringing these urban poverty debates to the Canadian policy context, what's most striking is the relative absence of much constructive action along either the targeted or the aspatial tracks (OECD 2002: 159). For much of the last two decades the federal government's preoccupation with deficit and debt reduction effectively removed urban concerns from the national policy agenda (Wolfe 2003; Andrew 2001). In terms of general policies, Ottawa's decisions to withdraw from social housing, limit eligibility for employment insurance, abolish the Canada Assistance Plan and reduce social transfers to the provinces all took their toll on the physical and social infrastructure of cities. Provincial governments were forced to meet their commitments in social services and municipal infrastructure with significantly reduced revenues. The details of the coping strategy varied by province but the general trend involved restrictions on social supports, and the downloading of numerous responsibilities to local actors—both municipalities and community organizations—without adequate resources or flexibility (Andrew, Graham, Phillips 2002). The challenges facing large cities like Toronto have been especially pronounced given the breadth of social needs and the social service funding responsibilities of Ontario municipalities.

In terms of spatially targeted measures that might have compensated for the “anti-urban” macro-level policies, there were only a few isolated initiatives. The last comprehensive national program along these lines—the Neighbourhood Improvement Program—was cancelled in 1978 (Carter 1991). In the 1980s and 1990s, specific federal commitments in the areas of municipal public works, in-
ner city revitalization, and community development were not conceived as part of a coherent national urban strategy. As Caroline Andrew, Katherine A. Graham, and Susan D. Phillips summarized federal and provincial policy development in the 1980s and 1990s, the “weakness of the urban dimension [was] disquieting” (Andrew, Graham, Phillips 2002: 19).

However, the dynamic changed in the early 2000s. With a dramatic improvement in its fiscal situation, the federal government looked to reestablish its pan-Canadian policy credentials and profile (Bradford 2007). Prime Minister Jean Chretien, towards the end of his third mandate, tentatively embraced aspects of what was rapidly becoming known as the “cities agenda.” But it was Paul Martin’s arrival as Prime Minister in 2003 that confirmed a new federal urban strategy. Just prior to leaving his post as Finance Minister in 2002, Martin unveiled his conception of a “New Deal for Cities” at the annual Federation of Canadian Municipalities (FCM) convention. The intent was to address both immediate municipal fiscal pressures and longer term public policy concerns. Once in office, Martin established an External Advisory Committee to come up with a 30-year national vision for cities—and now communities—in sustaining Canada’s quality of life. The 2004 and 2005 budgets set out many of the details of the New Deal package, and Toronto Member of Parliament John Godfrey was appointed parliamentary secretary with responsibility for urban affairs, a position soon upgraded to Cabinet status through a Minister of State for Infrastructure and Communities. Martin proclaimed the “New Deal is a national project for our time” (Martin 2005). And the aspirations enunciated by his government were equally grandiose: “Guided by a new vision, and supported with new investments, the New Deal is re-imagining and re-inventing how governments work together for the social, cultural, economic, and environmental sustainability of cities and communities across Canada” (Government of Canada 2005).

In practice, the New Deal had three basic components: predictable longer term funding for all municipalities; more tri-level government collaboration for area-based policy making; and an urban (and community) policy lens to assess and improve the impacts of federal sectoral policies in municipalities (Godfrey 2004; Juneau 2005). For each of these priorities, specific policy tools were brought forward.

**Municipal Revenue Transfers: “Local Priorities, National Objectives”**

To provide municipalities with a more reliable funding base for their expanding responsibilities and infrastructure pressures, the government’s 2004 and 2005 budgets made three direct financial offers: a full goods and services tax rebate estimated to bring $7 billion over ten years; a 5 cents per litre share of the federal gas tax allocated on a per capita basis with the estimated transfer to be $9 billion over five years; and a further $800 million for public transit distributed on the basis
of transit ridership, a formula recognizing the special needs of large cities. With its gas tax transfer, the federal government found a new design framework for delivering municipal infrastructure projects. Securing provincial and territorial consent, Infrastructure Canada negotiated agreements directly with municipalities or their representative associations to develop a menu of projects for improvements in public transit, community energy systems, solid waste management, and roads and bridges (Infrastructure Canada 2005). While the agreements vary in some of their details, two general conditions accompanied the financial transfer: that local choices contribute to meeting federal sustainability objectives in the areas of clean water, air quality, greenhouse gas emissions; and that the provincial governments not claw back the gas tax revenue, ensuring that the federal contribution was incremental to existing infrastructure funding. To manage implementation and outcomes reporting, the agreements required oversight committees with representation from the federal and municipal governments or their representative associations, along with provincial advisors.

In meeting the sustainability objectives of the agreements, municipalities were eligible for “capacity building” support for collaboration, knowledge-building, and integration. The priority on integration was further reflected in the requirement for municipalities to develop over the course of the five-year agreement an “Integrated Community Sustainability Plan.” Formation of this plan would be based on resident engagement in a new municipal planning process that would incorporate each of the federal government’s four New Deal urban priorities—social, cultural, environmental, and economic—in a long-term vision for sustainability.

Urban Development Agreements: “Bending the Mainstream”

Urban development agreements (UDAs) bring together the resources of the three levels of government and community organizations to tackle complex problems in urban centres (Bradford 2005; Layne 2000). In place in a number of Western Canadian cities—most prominently Winnipeg and Vancouver—they have been championed by the federal regional development agency, Western Economic Diversification. The agreements are negotiated on a city-wide basis, with the operational focus typically a specific area or neighbourhood. The purpose is to devise integrated revitalization strategies through coordinated interventions that cross both departmental silos and jurisdictional divides. The premise is that complex, multi-faceted problems such as concentrated urban poverty require the problem-solving resources of all orders of government. Through formal agreement identifying the different roles and responsibilities there is the potential to reduce duplication, fill gaps, and allow each level of government to focus on its specific areas of competency. In the Winnipeg agreements common priorities were identified, with each level of government leading a particular initiative based on its resources,
jurisdiction, and experience. In Vancouver, the collaborative framework identified three priorities—economic development, resident health outcomes, and public safety—for the city's most distressed neighbourhood. A series of specific projects were then implemented, in some cases mobilizing the efforts of more than a dozen departments and agencies across governments (Donovan and Au n.d.). The UDA structure typically includes a Policy Committee comprised of federal and provincial ministers and the Mayor to provide overall direction; a Program Management Committee of senior officials from the three governments; and a community-based secretariat or office to carry out project work and facilitate public access.

UDAs are complex arrangements and concerns have arisen about the disconnect between local action and federal programming, and the limited degree of community engagement (Bakvis and Juillet 2004; Silver 2002). Nonetheless, the UDAs were envisioned as a key vehicle for moving the federal urban agenda forward. On numerous occasions Infrastructure Minister Godfrey highlighted their potential for aligning different policies, and the government's plans to extend the model to cities across Canada, including Toronto. In 2005, the Vancouver Agreement was renewed for another five years and agreements were signed in Victoria, Regina, and Saskatoon. And it wasn't only the politicians who supported the UDA model. Evaluating various federal collaborative policy initiatives, the Auditor General identified the Vancouver Agreement as the most "promising governance model with provincial, municipal, and federal governments working together to meet the needs of the community" (Auditor General 2005).

**Expert and Action Research: "Learning from the Local"**

The aim here is to generate new and different kinds of urban policy knowledge so that the federal government strengthens its policy capacity, and better coordinates its many activities in cities. The lead department on the cities and communities file, Infrastructure Canada, recognized that there were significant gaps in the knowledge base to support an enhanced federal policy role in cities. Weaknesses were identified in both the substantive understanding of infrastructure challenges, and in the development of a professional network of expertise that could supply an ongoing flow of urban policy information and perspectives. As the Deputy Minister summarized:

There is not a lot of knowledge to facilitate the kind of policy work we are trying to do. In Canada, we have been so careful to avoid having the federal government intervene in areas of municipal jurisdiction that our national statistical agency doesn't collect data on local government in the way that, say, the U.S. Census of Governments does ... We don't have a lot of
research that helps us figure out the interaction between sectoral interventions and spatial interventions. We have also started a research program related to that (Juneau 2005).

Thus, in the past few years, considerable resources have been devoted to both specialized expert research and community action research. Infrastructure Canada has partnered with federal social science and sciences and engineering research councils to establish a $3.6 million peer reviewed studies program for “high quality, horizontal, policy relevant research studies on public infrastructure and related communities issues in Canada” (Infrastructure Canada 2006). In addition, programs such as the Canada Research Chairs and Community-University Research Alliances are contributing new knowledge about a host of urban policy issues and community development practices. Statistical agencies are being directed to collect local data and develop analytic tools such as geographic information systems that enable policy makers to assess the spatial impact of policies and to improve understanding of areas most at risk. The Canada Mortgage and Housing Corporation has undertaken studies on urban neighbourhood decline and renewal (CMHC 2001). There are also federal investments and collaborations with international policy research networks investigating aspects of the urban agenda such as the Metropolis Project on immigration issues, the OECD and its territorial review program, and the United Nations’ World Urban Forum.

With regard to action research, numerous federal departments are supporting community-driven projects focused on new ways to address urban problems and share lessons. Taking the form of pilot and demonstration projects, these initiatives seek to influence policy development by testing new approaches to program delivery or applying models of horizontal decision making. Prominent examples in cities across the country include the Urban Aboriginal Strategy, Canada Community Learning Networks, Action for Neighbourhood Change, and Inclusive Cities Canada. These projects involve the federal government in direct “learning partnerships” with a variety of local actors, such as community organizations, social planning councils, municipal officials, charitable foundations, and research institutes (Social Development Canada 2006).

Using the Tools? Neighbourhood Revitalization in Toronto

With these three tools, the Martin Liberal government positioned itself to play a far more active role in urban policy than any predecessor since the mid-1970s. Packaged together, they constituted a national policy foundation for the “interscalar coordination” prescribed by critics such as Neil Brenner. Appropriately implemented, they could bridge the divide between the place-based and aspatial social development strategies. Of course, the degree to which this integration occurs depends on implementation across a number of policy fields and in specific
localities (Dunn 2005). Below we report on only one such context—the use made of the three New Deal tools in relation to Toronto’s well-documented problems of urban poverty and rising number of distressed neighbourhoods. Many local actors in the past five years have called on federal policy leadership in tackling these issues. Toronto’s poverty challenges presented a clear opportunity for the federal government to demonstrate a commitment to what it proclaimed “the social sustainability pillar” of the New Deal.

Gas Tax Transfer: Deferring Social Investments

Of particular note in the application of the federal gas tax transfer to urban poverty and exclusion is that the revenues could be applied only to the urban physical infrastructure of transportation, water, waste management and so forth. Not included among the funding possibilities were investments in the social and community infrastructure of cities, such as public health, recreation, children’s and family services, settlement programs, libraries, and the network of local agencies that provide these supports. Against this dichotomy between the social and physical elements, Peter Clutterbuck and Marvyn Novick make the case for investments in “strong infrastructure”:

Separating local governance responsibilities into “hard” versus “soft” infrastructure is a false and shortsighted dichotomy in the new Canada. Within a decade or so cities will have either “strong” or “weak” infrastructures, reflecting the combined quality of both their physical and social infrastructures and how well these are integrated and mutually reinforcing. “Weak” infrastructure will indicate a continuing separation of the physical and social requirements of the city (Clutterbuck and Novick 2003: 3).

The local policy context for this integrated approach certainly existed in the City of Toronto’s Social Development Strategy, launched in 2001 (City of Toronto 2001). It drew together the findings and recommendations of a number of recent task forces and policy working groups addressing the state of the city’s social infrastructure. It identified three policy priorities requiring action by all orders of government: strengthening community capacity; investing in a comprehensive social infrastructure; and expanding civic leadership and partnership. Observing that the American federal government had recently provided substantial assistance to cities, the Strategy called on Ottawa “to do the same, keeping in mind that reinvestments in physical infrastructure must be matched by similar commitments to social infrastructure” (City of Toronto 2001: 17). In 2005, the City’s Social Development Network identified the need for joint agreements between governments to improve community conditions, and proposed “development of
a ‘Funders Table’ to create shared investment in social development goals for the City of Toronto’ (Gananathan 2005: 14).

Although the gas tax transfer agreements established such an inter-governmental funding structure to address municipal infrastructure priorities, the model did not encompass social reinvestment. Infrastructure and Communities Minister Godfrey spoke often about the need to extend the gas tax concern with physical infrastructure and the environment to “focus more on the three other components of viability which we consider to be just as essential: the economic, social and cultural” (Godfrey 2005). To this end, the June 2005 gas tax agreement for Toronto called upon the parties to establish a “Strong Communities Committee” to explore other shared objectives under the New Deal for Cities and Communities (Infrastructure Canada 2005). In other words, a social dimension was recognized, but only as part of a possible future inter-governmental agenda.

Not surprisingly, social policy analysts scrutinizing the New Deal questioned this deferral and underscored the conceptual limits of the gas tax framework. The keynote speaker at a conference focusing on “inclusive cities” clarified the issue:

How can the New Deal for Cities and Communities strengthen the social infrastructure of cities and communities? I think the clearest answer is we don’t know yet because we don’t yet have any agreements for the “social dimension” of the New Deal. Most of the bilateral Federal-Provincial/Territorial Gas Tax Transfer agreements—which are seen as one of the main instruments of the New Deal—imagine future discussions and agreements to advance social cohesion and social infrastructure, but that is as far as they go. … We may be able to capture some social reinvestments as a result of new revenue at the municipal level, but the current arrangements are not designed to do so (if that were the case there would be reinvestment agreements with the federal government, and a system for shared reporting on social investments) (Bach 2005: 1,2).

Thus, the revenue transfers through the gas tax agreements were not the tool to address Toronto’s growing poverty and social exclusion. What about the other two instruments? In Toronto’s highest poverty neighbourhood there was keen local interest in an urban development agreement for a major revitalization plan.

Canada-Ontario-Toronto Framework Agreement: Regent Park Calling

Regent Park is an inner city Toronto neighbourhood with a population estimated at 7,500, all living in social housing. With nearly 65 percent of the residents arriving in Canada in the past ten years, more than 50 languages are spoken.
Regent Park is also the most economically distressed area in Toronto, with a median income less than half of the rest of the city and more than three times the poverty rate.

In 2003, Toronto City Council authorized its housing corporation, the Toronto Community Housing Corporation (TCHC), to proceed with a major redevelopment. The $1 billion TCHC plan for a mixed use, mixed income neighbourhood involved a number of elements. It proposed to rebuild the existing number of 2100 rent-geared-to-income units, and add 2700 home ownership units, of which approximately 500 would be affordable to lower income households. The plan would be phased over twelve years, so as to minimize the relocation disruption for residents. The TCHC committed that the redevelopment would replace the existing number of rent-geared-to-income units, either in Regent Park or nearby, meaning that no one would be permanently displaced. Encouraging a diversity of built forms, including commercial and public spaces, the goal was to reconnect residents with the rest of the city through a network of streets, parks and retail outlets. The vision was that rebuilding the housing stock also presented an opportunity to improve the overall quality of life. As the TCHC put it:

The vision needs to be one of community building, not just real estate development and housing. The lives of the existing TCHC residents in Regent Park, both now and in the future, would be enhanced by better access to training, employment and economic development opportunities, more immediate retail choices and the enhanced coordination of community services (Regent Park Collaborative Team, 2002: 5).

Lauding the integrated vision, the Ontario Non-Profit Housing Association presented its Tenant Achievement Award to the TCHC. At the same time, critics of the Regent Park revitalization raised concerns about the proposed mix of housing despite TCHC assurances to residents (Sewell 2005). They pointed to the risk of gentrification if low income residents were unable to purchase housing units and questioned whether the number of rent-geared-to-income units was sufficient to fill the gap.

Recognizing the scope of the public investments and policy supports required for full implementation of the revitalization, Toronto Mayor David Miller in January 2005 presented to the Premier of Ontario and the Prime Minister of Canada a proposal for a tri-level urban development agreement modeled on those pioneered in Winnipeg and Vancouver. Miller made the case for a “Canada-Ontario-Toronto Framework Agreement” with its first project the Regent Park Revitalization (Toronto Staff Report 2005). A “table” would be established to flow the $50 million government funding sought by the TCHC, and coordinate the many policies and programs across the three levels of government deemed relevant...
to the revitalization. In addition to housing policies, these included the provincial Ontario Works, the federal Social Economy initiative and Green Municipal Funds, and municipal zoning approvals. The Mayor’s communication with the Prime Minister and Premier summarized:

The Regent Park Revitalization, as the first focus of the Canada-Ontario-Toronto Framework Agreement, will provide an opportunity to address a range of issues such as housing, social economy, community development, poverty, immigrant settlement, and environmental, economic, cultural and social sustainability as part of a redevelopment project that will create new jobs and opportunities to substantially improve the lives of thousands of men, women, and children who currently live in poverty and social isolation. The Regent Park Revitalization is ready to go. The Toronto Community Housing Corporation has started the redevelopment process and Toronto City Council has committed to facilitating its implementation as a corporate priority (Miller 2005).

In fact, Miller’s proposal for an urban development agreement to address Toronto’s social challenges was only the latest expression of such interest within Toronto policy circles (Bradford 2005). Yet, despite the broad local support for a Toronto urban development agreement, Mayor Miller’s proposal was not acted upon. For its part, the Ontario government stated in its May 2005 Budget Papers that officials from the three levels of government were working to establish such an agreement, and it repeated Toronto’s choice of Regent Park as the first priority. Federal officials also confirmed in November 2005 that the three governments were exploring a tri-partite agreement in Toronto that would address matters “at the intersection of federal priorities and the needs and assets of communities” (Juneau 2005). Similar statements of intent were made about investments in the Regent Park plan from federal Housing and Homelessness officials. However, no such housing agreement or investments were in place in February 2006 when construction began on the first two-year phase of the Regent Park redevelopment. Indeed, the status of Mayor Miller’s urban development agreement proposal became more uncertain with the fall of the Martin government and the election of a Conservative government.

Action for Neighbourhood Change: Engaging in Scarborough

As the tri-level policy and investment plans for Regent Park stalled, the federal government in May 2005 entered the Toronto urban social policy scene with its third New Deal tool—community action research—in a different neighbourhood altogether, the older suburb of Scarborough Village. The vehicle was the Action
for Neighbourhood Change (ANC) a comparatively modest $4 million two year “pilot learning initiative” to address distressed urban neighbourhoods in five cities—Toronto, Halifax, Thunder Bay, Regina, and Surrey. According to the federal government, the ANC “represents a new commitment by federal policy makers, not only to listen to what Canadian communities need to make their neighbourhoods healthier, but to get right down in the trenches with the people who actually live there as they work together to solve the problems they face” (Office of Minister of Labour and Housing 2005, emphasis in original). Two purposes were identified: to build the capacity of neighbourhood residents, organizations, businesses and service providers to develop a vision of change, and to strengthen the responsiveness of existing policies and programs policies to that local vision. The ANC would “learn from the local” about how to connect federal social policy to community action by developing tools, facilitating their use by resident networks, and systematically documenting progress and lessons.

The ANC originated at the National Secretariat on Homelessness (NSH) where officials sought to embed a prevention framework into Canadian housing and homelessness policy (Bulthuis and Leviten-Reid 2005). While the NSH’s flagship program, the Supporting Communities Partnership Initiative (SCPI) had been widely viewed as an innovative response to the problems of homelessness, it was also apparent that such a ‘crisis management’ approach could neither address root causes nor supply lasting solutions since it excluded affordable housing and was not linked with other community programming. In Toronto, SCPI had been criticized along precisely these lines (Toronto, Shelter, Housing & Support 2003: 2). By contrast, the ANC put shelter needs in a wider policy lens of housing, substance abuse, safety, literacy, employment and learning technologies. It brought together four community-based programs from three federal departments, and consolidated the different funding streams into a common agreement to be managed at the NSH. Pooling funds in this way, ANC designers created a sense of shared ownership among the participating departments and simplified reporting procedures for the community partners.

Alongside the departmental collaboration, the ANC reached down to neighbourhood residents through a novel multi-level partnership with three intermediary organizations, each playing specific roles in a “system of support” (Makhoul 2005). The United Way Canada/Centraide was the lead partner, and through its national office coordinated implementation of the entire project. Its local branches in each of the five cities were then responsible for selecting neighbourhoods and convening local actors to participate in revitalization planning. The Tamarack Institute for Community Engagement was the second partner, bringing specialized expertise and considerable experience in community capacity building and collaborative planning. Tamarack produced a guide for residents and organizations that decide to adopt a “comprehensive community initiative” approach to change.
The third partner was the Caledon Institute of Social Policy, with a mandate to facilitate the learning process through a combination of publishing expert research on neighbourhood revitalization, documenting the different approaches to neighbourhood change across the five cities, and hosting a regular policy dialogue that engaged government departments and community representatives.

The policy dialogue was a notable design feature in the ANC (Gorman 2006). It provided an institutional mechanism for connecting the local experiments with government decision-making, enabling knowledge transfer across the scales. The ANC policy dialogue was organized in a systematic and comprehensive fashion, moving the partners through relatively routine aspects of working together to the challenges of actually changing government procedures and policies based on community feedback for solving problems. One proposed focus was the broad social “policy domains that relate to the revitalization of neighbourhoods” (Torjman 2005: 17). The dialogue was seen as providing a sustained opportunity for community representatives to shape the terms and implementation of the federal-provincial agreements in fields such as affordable housing and child care. Another key issue was the “removal of administrative barriers that make it difficult for communities to do their work” (Torjman 2005: 18). Here the dialogue offered voice to groups working in neighbourhoods to present their concerns about the administrative burdens and barriers to effective local change imposed by ongoing government practices. Long-standing community and voluntary sector concerns about the adequacy, stability, and accountability requirements for funding could be discussed directly as they arose in local contexts.

The Scarborough Village ANC was officially launched in June 2005, with a public forum inviting residents to discuss the neighbourhood’s challenges and opportunities, and identify community assets and deficiencies (ANC Scarborough 2005). The ANC usefully built on the municipally-led Strong Neighbourhoods Task Force, and worked to engage racial minorities and immigrant women in social service networks, offering training in “community animation” (Bradford 2007a; Gorman 2007). One immediate concern was raised about a decision by one of ANC’s federal partners, Human Resources and Skills Development Canada, to cut off funding from a valuable community agency in a neighbourhood adjacent to Scarborough Village that had a storefront presence and established space for various organizations to provide services such as language and job training. This issue was one that could be pursued by neighbourhood representatives through the ANC policy dialogue. Indeed, such an anti-community policy decision “focused attention on the importance of ANC’s parallel process—the identification and dismantling of municipal, provincial and federal government barriers which impede community revitalization” (Makhoul 2005: 7). The extent which the policy dialogue functioned as a meaningful local-federal learning channel was debatable, but the Caledon Institute’s Sheri Torjman correctly noted that “there
is no machinery that permits this kind of sustained discussion and that adds to the body of knowledge regarding effective collaboration between government and communities” (Torjman 2005: 19).

**Conclusion: A Limited Social New Deal**

This article has explored recent federal government urban policy departures in relation to spatially concentrated poverty and distressed neighbourhoods in cities. We began by reviewing two different approaches, one arguing for the primacy of community driven, targeted initiatives and the other privileging the aspatial policies designed and delivered by upper level governments. Acknowledging the differences between these perspectives, the possibilities for their coordination and integration in tackling concentrated urban poverty were underscored. In these terms, learning mechanisms must transfer policy knowledge between localities and central governments with the intent to influence mainstream policies so that they better serve all vulnerable neighbourhoods and their residents. Through such structures spatially targeted policy becomes “not merely a device for the social development of ‘sensitive’ areas, but a real project to remodel the institutions and ways of thinking upon which government activity is based” (Damon 2001: 168). The localized experiments thus are framed by the national objectives of central governments, and the dialogue across the scales facilitates social policy innovation.

In relation to such interscalar coordination, how did the Martin government’s New Deal for Cities and Communities measure up? We proposed that the three main tools—municipal revenue transfers, urban development agreements, and community action research—contained the potential for integrating localized initiatives into broader macro level policies. However, we also found that this potential was not fully realized with respect to the urban problems of poverty and exclusion. Focusing on Toronto’s experience, we illustrated how plans for the “social pillar” of the New Deal for Cities and Communities—despite the government’s statements about the importance of an integrated approach to urban sustainability—remained underdeveloped.

In making the case, we tracked the application of the New Deal’s three main tools to Toronto’s distressed neighbourhoods. First, the revenue transfers to municipalities remained confined to meeting “hard” infrastructure needs, and therefore did not join the physical and social dimensions of urban development. This broader conception of infrastructure needs had been put forward by a number of urban social policy communities in Toronto. Second, the urban development agreement proposed by the City of Toronto to coordinate tri-level government financial and policy support for implementation of the Regent Park revitalization failed to materialize. The Regent Park process was notable for its deep community engagement, and for its systematic approach to linking the physical, environ-
mental, and social aspects of neighbourhood redevelopment. But the local housing authority's ability to deliver this package rested on significant contributions from upper level governments. Ultimately, the federal government's involvement in Toronto took the form of a pilot learning project in Scarborough Village. Although modest in its time commitment and funding, this initiative included innovative design features to link local activities with national policy making, and to explore longer-term policy and administrative changes required to make neighbourhood-based initiatives successful.

In sum, the Martin Liberal government's promises around the social dimension of the New Deal framework were not translated into much action on the ground. In accounting for this outcome, no single line of explanation will suffice. Fundamentally, the government's approach lacked a robust urban social vision as evidenced by the distinction between hard and soft services that remained operative in its infrastructure investments. While frequently reciting the four pillars of urban sustainability, it was not clear that the government had thought through implementation of anything beyond the economic and environmental dimensions. Equally important, Ottawa encountered a series of institutional obstacles that particularly constrained the social New Deal. Four such obstacles played out in the Toronto policy context. These related to federal jurisdiction, financial commitment, administrative machinery, and political time.

First, the well-known jurisdictional obstacles to federal urban intervention are pronounced in matters of social and community development. The physical infrastructure that became central to the gas tax investments has long been an object of federal-municipal interaction. By contrast, responses to the social problems concentrated in specific urban neighbourhoods have traditionally been understood as provincial-municipal responsibilities. Thus, where the New Deal's focus on roads, bridges, and sewers and the like reflected established federal interventions, any proposed urban social investments raised sensitive political questions about the appropriate use of federal spending power. Second, the scale of the neighbourhood investments ($1 billion over 12 years) proposed for the Regent Park Revitalization were well beyond federal commitments in existing urban development agreements in Western Canadian cities. Third, and also unlike the existing urban development agreements, the federal government lacked the administrative machinery in Toronto to pursue an ongoing policy partnership for joined-up program delivery. Simply put, there is no southern Ontario equivalent of the federal Regional Development Agencies such as Western Diversification Canada that were the catalysts for the tri-level deals in Vancouver and Winnipeg. Finally, political calculations about policy priorities and sequencing cannot be overlooked. In this case, Minister Godfrey claimed that the federal plan was always to conceptualize and implement the New Deal's social pillar over the longer term, working, for example, through the Integrated Community Sustainability
Plans that Ottawa mandated as part of the gas tax agreements. But electoral realities intruded: the defeat of the government in January 2006 put to rest any such political planning and policy sequencing.

Postscript

The arrival in power of the Conservative minority government has altered the urban policy landscape. While the new government’s first budget continued implementation of the gas tax investments in roads, bridges, and border crossings, the trend is away from New Deal style activism to a more circumscribed federal role in cities. The new government does not speak about the four pillars of urban sustainability. It greeted with silence the final report of the External Advisory Committee on Cities and Communities, which made the case for place-based inter-governmental collaboration in many federal economic, social, environmental, and cultural policies. Indeed, Prime Minister Harper declared “Ottawa has stuck its nose into provincial and local matters into areas where they didn’t have much expertise.” (Harper 2006). The Conservative inter-governmental vision, the Prime Minister explained, valued jurisdictional respect among federal and provincial governments not joined-up tri-level governance. Addressing the “fiscal imbalance” will transfer money and responsibility back to provincial governments to manage their responsibilities, including municipalities and urban social development.

Not surprisingly, then, the Conservative Minister of Transport, Infrastructure and Communities, Laurence Cannon, has made no public comments regarding Regent Park funding, nor about an urban development agreement in Toronto. And the degree of federal interest in applying the policy lessons from time-limited action research projects like the ANC is not yet known (Gorman 2007). When the ANC two year pilot ended in March 2007 it found itself without a federal partner for acting on the lessons learned. It seems that the Harper Conservatives view national undertakings on the scale and scope of the New Deal for Cities and Communities as not only inappropriate intrusions into provincial jurisdiction but also as undesirable expressions of federal social engineering. Among the government’s five key policy priorities, the one with the most direct urban connection emphasizes law and order and mandatory sentencing reform to make streets safer. It remains to be seen how or whether such policy priorities, and the accompanying inter-governmental realignment, address the multi-faceted problems of distressed neighbourhoods in Canada’s largest cities.

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Notes

1 Introducing place-based and macro-level anti-poverty approaches is a prominent theme in a number of European national urban strategies (OECD, 1998:102-116; 2007). For example, the Dutch Big Cities Policy and the French Contrats de Ville each emphasize the importance of linking neighbourhood initiatives to broader national policies (Kloosterman and Broeders, 2002; Damon, 2001). In Britain, the Labour government’s National Strategy for Neighbourhood Renewal identifies five priorities for “mainstreaming neighbourhood renewal”: re-allocating mainstream resources to meet floor targets; focusing policy on poorer areas; reshaping services to reflect local needs; inter-departmental action for joining-up services; and learning good practice from pilot projects (Office of the Deputy Prime Minister; Imrie and Raco, 2003). Based on recognition that area-based initiatives are limited in funding and duration, their activities can be mainstreamed through various interscalar learning mechanisms: structured policy dialogue; conferencing; joint staff training and secondments, and evaluations that reveal good practice for transfer and scaling up (McGregor et al., 2003).

2 The same argument was made by the Social Planning Council of Winnipeg in its analysis of former Mayor Glen Murray’s New Deal (Social Planning Council 2003). The Council wrote: “The New Deal appears to be a response to the problem of deteriorating physical infrastructure and in doing so, neglects to fully consider the problem of deteriorating social infrastructure. ... The problem with the New Deal as it is currently conceptualized is the absence of a framework for social development and recognition of its importance to quality of life and well-being”.

3 In Toronto, implementation of the federal ANC built on the municipally led Strong Neighbourhoods Task Force examining the state of the city’s 140 neighbourhoods. In June 2005, the Task Force published a strategy for revitalization in Toronto’s highest need neighbourhoods. Using a formula that combined measures of access to community services and the signs of economic and social distress experienced by residents, the task force identified nine priority neighbourhoods for action. It recommended that all levels of government work together for “a combination of targeted investments in identified neighbourhoods, and broader program, policy and funding changes that strengthen all neighbourhoods” (Greater Toronto United Way and City of Toronto 2005: 6).

4 For an overview of the shifting urban policy agenda see, Neil Bradford (2007), Whither the Federal Urban Agenda?
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