The Federal Role in Canada’s Cities: Overview of Issues and Proposed Actions

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Discussion Paper F|27
Family Network

December 2002
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I. Introduction

The public agenda of the past few years has been marked by a heightened interest in the economic future of Canada’s cities and calls for the federal government to play a larger role. Along with this shift, there is a growing consensus that the policy objectives and actions of governments and other actors must address the quality of life in urban communities. The state of the urban social fabric, which relates to issues such as inclusion and access to equitable life chances, is linked to many other factors, including the availability and quality of social services; property values (which affect local government revenues); cities’ appeal as places to live and invest; and, ultimately, their economic strength. What, then, is the role of the Government of Canada in ensuring a strong social fabric in these communities?

Despite an emerging consensus in favour of more concerted action by the federal government on urban priorities, what that action might be is not as easily and immediately identified. Provincial governments have constitutional responsibility for municipalities, and many of the relevant policy areas are at least partly within provincial jurisdiction. Moreover, the economic base, demographic composition and challenges facing the country’s larger urban centres vary greatly, making any one-size-fits-all pan-Canadian policy response ill advised. Clearly, careful analysis and policy thought are needed.

In this context, CPRN designed a major project focused on the social sustainability of Canada’s metropolitan areas, with an emphasis on the role of the Government of Canada in that regard. Four papers were commissioned to address the following challenges: urban poverty, the inclusion of immigrants, the situation of Aboriginal people living in cities and affordable housing. Taking into account the theme of social sustainability, the researchers were asked to bear in mind the interdependence of government policies, community programs and agency practices, as well as questions of collaboration and partnership among governments and with the private and voluntary sectors. They were also asked to comment on the recommendations of the Prime Minister’s Caucus Task Force on Urban Issues, which released its interim report in April 2002, and to propose policy directions. The authors’ findings were explored at a CPRN roundtable on October 4, 2002. Participants included government officials, representatives of community organizations, academics and the authors.

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1 Senior Director, National and International Research and Policy Development, Elections Canada. The author wrote this overview paper during a term as Research Associate with CPRN, during which he developed and coordinated the project “The Federal Role in Canada’s Cities: Four Policy Perspectives.” He wishes to thank Jane Jenson for her advice on a range of matters and Lynda Becker for her excellent assistance in managing the project. Any views expressed in this paper are solely those of the author.

2 This overview was completed before the Task Force tabled its final report, Canada’s Urban Strategy: A Blueprint for Action, on November 19, 2002 (see http://www.liberal.parl.gc.ca/urb).
This overview draws linkages among the papers and situates both the topics the authors addressed and their conclusions within the context of the public debate that has emerged in Canada since the late 1990s. While not always explicitly framed as such, questions of social sustainability underlie many observers’ and advocates’ call for an enhanced federal role. Section 2 identifies some of the trends and pressures that have led to the heightened interest in urban issues, as well as some of the federal government’s actions and commitments in the past two years. In Section 3, the main findings from the papers are summarized. In light of the links with the project’s theme, there is discussion of the increasing spatial concentration of particular groups, notably the poor and recent immigrants, and the implications for inclusion and the social fabric of Canada’s cities.

In Section 4, we turn to possible actions the Government of Canada could take to foster social sustainability in the country’s larger cities. A summary of the relevant recommendations of the Task Force on Urban Issues and of the authors’ proposals and suggestions is provided. These focus mainly on changes to existing policies and programs; however, there are a number of suggestions for new initiatives, particularly to address social exclusion. Section 4 concludes with a discussion of approaches to implementation and certain governance issues. In this regard, there was broad agreement among the authors, and at the roundtable, that addressing issues that underpin social sustainability in an effective way will require: 1) greater horizontal coordination within governments; and 2) enhanced collaboration, whether through intergovernmental agreements (with greater involvement of city governments) or partnerships that may involve business and community organizations.

II. Urban Priorities and Social Sustainability

More than any other recent official statement, the Speech from the Throne of September 30, 2002 testified to the heightened interest in the future of Canada’s urban communities as a whole and the need to respond to particular pressures. The address included the following statement:

Competitive cities and healthy communities are vital to our individual and national well-being, and to Canada’s ability to attract and retain talent and investment. They require not only strong industries, but also safe neighbourhoods; not only a dynamic labour force, but access to a rich and diverse cultural life. They require new partnerships, a new urban strategy, a new approach to healthy communities for the 21st century.

This was followed by commitments to: a 10-year program for long-term strategic infrastructure initiatives (to be developed with provinces and municipalities), including a transportation strategy to reduce congestion in cities and trade corridors; investments in affordable housing and to reduce homelessness; and an expansion of pilot programs directed at poverty among Aboriginal people living in cities.

While the details of these commitments, notably the scale of the investments, still must be worked out, major elements of an urban agenda or strategy for the Government of Canada have been identified. This is a significant development – one that reflects a number of demographic trends, and political and other pressures. As this section briefly documents, recent calls for a
greater federal role in relation to Canada’s urban communities have come from a number of quarters. Although some advocate new direct federal programming, more often there is a recognition that, bearing in mind the scale of some proposed initiatives and the degree of interdependence among policy fields, significant intergovernmental cooperation will be required. This is certainly the case when it comes to possible actions to foster urban social sustainability.

**Trends and Pressures in Canada’s Cities**

Canada has become largely a country of cities. In 2001, 80 percent of Canadians lived in urban communities, with fully 64 percent concentrated in the country’s 27 Census Metropolitan Areas (CMAs) — that is, cities with a population of 100,000 or more. Moreover, 51 percent of the population lived in four urban areas: the Golden Horseshoe in southern Ontario; Greater Montreal; British Columbia’s Lower Mainland and southern Vancouver Island; and the Calgary-Edmonton corridor. Between 1996 and 2001, the combined population of these four regions grew by 7.6 percent, compared with 0.5 percent for the rest of the country (Statistics Canada, 2002). In addition, the cities in these regions, along with others, are home to increasingly ethnically diverse populations.

Canada’s larger cities face a number of problems, intensified by such demographic patterns as ageing infrastructure; insufficient affordable housing; greater concentration of low-income people in certain neighbourhoods; traffic congestion; and lowered air quality (Bourne, 2000). At the same time, the governments of certain cities, notably Toronto, have had to take on additional spending (for example, for certain social services) as a result of transfers of responsibility from the provincial government. A broader concern is that, as quality of life slips because of such trends, the competitiveness of Canada’s biggest cities will suffer – or is indeed already suffering (TD Bank Financial Group, 2002: 10). There is quite broad agreement that the property tax, city governments’ principal source of revenue, is an inadequate and often inappropriate mechanism to address larger urban challenges; there is also much discussion about what other means might provide cities with additional revenue.

While some commentators focus on particular pressures, others situate their analysis and proposals within broader patterns of policy development and governance. For example:

- **Local is important:** Globalization has enhanced the importance of networks within larger cities and their surrounding regions (Sassen, 2001; Borja and Castells, 1997: 203-232). At the same time, as Meric Gertler (2001: 120) has written, “a central paradox of our age is that, as economic processes move increasingly to a global scale of operation, the centrality of the local is not diminished but is in fact enhanced.” The thesis of a recent influential American study is that “where we live has a powerful effect on the choices we have and our capacity to achieve a high quality of life” (Dreier et al., 2001: 21). “Where we live” also includes neighbourhoods, and there is a growing body of research and commentary on “neighbourhood effects” and their impact on life chances, as discussed in Section 3.

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3 The question of cities’ fiscal capacity was not a focus of this CPRN project, largely because it had been or was being addressed by a number of other organizations — for example, the Federation of Canadian Municipalities (FCM, 2002a: 6-14), the TD Bank Financial Group (2002: 20-27), Slack (2002), Kitchen (2000) and the National Round Table on the Environment and the Economy (through its Urban Sustainability Task Force, which is expected to report in early 2003).
• **Issues and policy sectors are not autonomous**: Many analysts suggest that the key to a city’s capacity to create a comparative advantage lies not simply in its economic attractiveness (low taxes, infrastructure, etc). Its social and cultural qualities are also important. Richard Florida (2001: 7), who has done extensive research on investment and movement in the high-tech sector, expresses the linkage as follows: “Talented people go to places that have thick labor markets, are open and tolerant, and offer a quality of life they desire. Places that attract people attract companies and generate new innovations, and this leads to a virtuous circle of economic growth.” Policy-makers thus must not only assess the potential impacts within their own sector but also coordinate their proposed actions with those in other fields, from high tech to cultural institutions.

• **Governments and other actors must collaborate**: Policy and program linkages, as well as the scale of the effort required in certain cases, point towards joint action on the part of city and other governments, often in concert with the private sector or non-governmental organizations (NGOs). Two American analysts (Katz and Bernstein, 1998: 7) put it this way: “[M]etropolitan issues do not invite traditional or simple programmatic responses. There is no ‘silver bullet’ that can be designed and implemented by one level of government or one sector of the economy.” If anything, Canada’s federal system points even more clearly in this direction: provincial governments are constitutionally responsible for municipal government and for a number of policy fields (for example, education and most social services) that have a marked impact on urban sustainability; at the same time, the federal government is primarily responsible for certain policies, such as on immigration and taxation, that affect the economic and social fabric of Canada’s cities in many important ways. As expressed in a recent discussion paper, “[u]rban centres are policy sites where all three governments are inevitably and necessarily present” (Berdahl, 2002: 4).

Understandably, trends and governance approaches such as these provide governments and other actors with only general directions for action. While highly significant, they demand choices among options, as can be seen in the proposals reviewed in Section 4.

**Calls for Federal Activism**

In addressing the future role of the federal government in responding to Canada’s urban challenges, it should be remembered that a significant proportion of federal activity already occurs in cities and metropolitan centres (Sgro, 2002; Anderson, 2002: 6). One might even claim, as did a participant at the CPRN roundtable, that the federal government already has an urban policy, even if it is only implicit. That said, it is not sufficient. The trends noted above have already led to fairly broad agreement about the need for more significant and explicit action directed at Canada’s metropolitan areas. For some, the sheer scale of the investments for major infrastructure projects means that considerable federal funding is needed. Others, sometimes citing the level of spending on urban matters by the American federal government (FCM, 2002a: 17-19), want more extensive ongoing involvement on the part of the federal government. Some even call for an “all-out offensive” (TD Bank Financial Group, 2002: 19).

As the national voice of municipal governments, the Federation of Canadian Municipalities (FCM) has, for several years, advocated more active federal engagement on urban issues. Following its February 2002 meeting, the FCM’s Big City Mayors’ Caucus called for cities to
strike “a new deal” with the Government of Canada and identified the following priorities: a permanent infrastructure program, municipal transit and inter-urban transportation, affordable housing and homelessness, and immigrant settlement programs (FCM, 2002b).

The following is a sample of other positions in what has become a rich debate:

- **Charles Baillie, Chairman, TD Financial Group:** “Despite the fact that [urban] centres attract job-generating business clusters and create much of the wealth in this country, they are shamefully under-funded. … Without urgent and substantial investment, the only outcome for every city will be a lower standard of living and a lower quality of life” (Baillie, 2002).

- **Mario Polèse, Senior Canada Research Chair, Institut national de la recherche scientifique:** “The intelligent use of the public investments necessary to ensure the continued vitality of our cities … cannot be achieved without an open dialogue among all levels of government, without a shared vision of where we want to go” (Polèse, 2002).

- **Roger Gibbins, President, Canada West Foundation:** “Ottawa is already heavily involved in urban affairs. The issue is how best to bring coherency and focus to that engagement” (Gibbins, 2002).

- **Jane Jenson, Senior Canada Research Chair, Université de Montréal and CPRN, and Rianne Mahon, Carleton University:** “[T]here is no firm constitutional inhibition … on the federal government having a direct relationship with municipal governments. Whether the federal government is to be involved or excluded from new governance patterns will depend on political choices, not constitutional formalities” (Jenson and Mahon, 2002: 26).

In the January 2001 Speech from the Throne, the federal government promised to “cooperate with provincial and municipal partners to improve public transit infrastructure” and “help stimulate the creation of more affordable rental housing.” The December 2001 Budget included a commitment to $136 million a year for five years on affordable rental housing. Although the Throne Speech commitment on transit did not lead to immediate action, in the December 2001 Budget the government announced a $2 billion program for “strategic infrastructure” to provide cost-shared assistance for large infrastructure projects, including highways and urban transportation. While this focus on physical infrastructure is important, various federal ministers have continued to advocate a broader approach to urban issues.

To further the development of the federal agenda, the Prime Minister’s Caucus Task Force on Urban Issues, chaired by Judy Sgro (a Liberal MP from the Toronto area), was appointed in May 2001. Following extensive consultations across the country, the Task Force’s interim report (Sgro, 2002) called for a federal urban strategy, to include a National Affordable Housing Program, a National Transportation Program and an extension of the Infrastructure Canada program (with a focus on municipal water infrastructure). The elements of the report directed at what the Task Force referred to as “social challenges and opportunities” are discussed in Section 4.

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4 On a number of occasions, including in a wide-ranging speech to the FCM shortly before he left the Cabinet, Paul Martin (then Minister of Finance) called for a “new deal” for Canada’s cities (Martin, 2002).
A Focus on Social Sustainability

There is general agreement in much of the recent literature and debate that public policies, programs and services for cities should be developed or adjusted to further broad objectives such as stimulating innovation and competitiveness, accommodating diversity and fostering social sustainability. The latter concept is particularly important for this project. It can be linked to the extensive literature on sustainable communities and sustainable community development (Cardinal Group, 2002; Peck and Associates, 2000), and has been defined as follows:

[D]evelopment and/or growth that is compatible with the harmonious evolution of civil society, fostering an environment conducive to the compatible cohabitation of culturally and socially diverse groups while at the same time encouraging social inclusion, with improvements in the quality of life for all segments of the population (Polèse and Stren, 2000: 15-16).

According to Polèse and Stren (2000: 16), sustainable cities “must reduce both the level of exclusion of marginal and/or disadvantaged groups, and the degree of social and spatial fragmentation that both encourages and reflects this exclusionary pattern.” To that end, they add that urban social sustainability is affected not only by nationwide aspatial policies (such as social policy and immigration laws) but also by policy decisions and their implementation at the community level. Creating socially sustainable cities is thus a multi-faceted and complex process that involves a range of policy fields and in, many cases, two if not three levels of government, as well as other actors. For example, NGOs are playing a larger role in delivering services and the development of policies and programs, particularly those targeted at particular communities, while municipalities also deliver programs decided at the provincial level.

Let us look, then, at ways that the social sustainability of cities can be analyzed and addressed in more depth.

III. Communities, Neighbourhoods and Social Sustainability: Research Findings

As noted in the introduction, CPRN commissioned four papers for this project:

• Anne-Marie Séguin and Gérard Divay, “Urban Poverty: Fostering Sustainable and Supportive Communities”;

• Martin Papillon, “Immigration, Diversity and Social Inclusion in Canada’s Cities”;

• Katherine Graham and Evelyn Peters, “Aboriginal Communities and Urban Sustainability”;

• David Hulchanski, “Housing Policy for Tomorrow’s Cities.”

This section of the overview summarizes the main findings from the papers, each of which includes a literature review, and relate these to the social sustainability theme. Because of its growing significance, both as a research question and emerging political issue, particular attention will be paid to the question of the spatial concentration of particular groups and the implications for inclusion and the social fabric of Canada’s larger urban communities.
**Diversity**

By the latter part of the 20th century, Canadian cities had become home to a large proportion of immigrants, and the immigrant population had become much more ethnically diverse. Martin Papillon reports the following:

- While immigrants constituted 18.4 percent of Canada’s population in 2001, they made up to 44 percent of the population of the Toronto Census Metropolitan Area (CMA). This is higher than in any other city in North America. The corresponding numbers were 35 percent for Vancouver, 18 percent for Montreal and 16 percent for the Ottawa-Gatineau region.

- In 2001, 48 percent of immigrants and refugees settled in Toronto, 15 percent in Vancouver, 12 percent in Montreal, and only eight percent in the following cities combined: Calgary, Ottawa-Carleton, Edmonton, Winnipeg, Hamilton, London, Quebec City, Halifax, Regina, Saskatoon and Victoria. The tendency of immigrants to concentrate in the three largest cities, especially Toronto, continues to increase.

- By 2001, the proportion of immigrants of European origin had fallen to 17 percent (it had been 80 percent prior to the 1967 *Immigration Act*). While immigration from Asia accounted for less than two percent of all immigrants in the 1950s (Moghaddam, 1994: 239) and less than 10 percent in 1966, it is now by far the largest category, with more than 63 percent of all newcomers coming from the region.

On the question of human capital, so central to cities’ competitiveness, Papillon documents that in the late 1990s, 54 percent of all immigrants who entered Canada were in the skilled workers category (this includes family members of the principal applicant). In addition, recent immigrants have a higher average level of education than Canadians as a whole.

As Papillon suggests, skilled immigrants with significant levels of human capital may experience a relatively straightforward inclusion process. There are, however, growing concerns about the systemic exclusion of certain groups. Recent immigrants experience very high poverty rates: in 1996, 52 percent were poor – i.e., had incomes below Statistics Canada’s Low Income Cut-Offs (LICOs) – compared with 25 percent of all residents of CMAs. This is especially true for visible minorities, who comprise the majority of recent immigrants. Research using 1991 census data found: 1) a significantly higher poverty rate for newcomers from South-East Asian (30.8%), Arab (40.9%), Latin American (38.8%) and Black/Caribbean (29.4%) countries than for Canadians as a whole; and 2) substantially higher unemployment rates for visible minorities (up to 17 percent for certain groups). The research Papillon surveyed suggests that systemic factors such as the lack of recognition of foreign credentials, racial discrimination and prejudices in the work environment, as well as lack of access to affordable housing and suitable language training, may contribute to the social exclusion of more vulnerable newcomers.

As to patterns of residence, other research has found that levels of racial and ethnic segregation are moderate in Canadian cities. In particular, blacks do not experience the same high levels of residential segregation as they do in major American cities (Fong and Wilkes, 1999: 616).

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5 All other statistics on poverty cited in this text are based on the LICOs.
Turning to the situation of Aboriginal people within Canada's urban communities, Katherine Graham and Evelyn Peters report the following in their paper:

- According to the 1996 census, nearly 50 percent of individuals in Canada who self-identified as Aboriginal lived in cities. The proportion of non-Status Indians living in urban areas was highest, at 73 percent, followed by 66 percent of Métis, 40 percent of Registered Indians, and less than 30 percent of Inuit.

- In 1996, Aboriginal people as a proportion of the total CMA population varied substantially. Of the five cities with the largest percentage of their populations being Aboriginal, four are on the Prairies: Saskatoon – 7.5 percent, Regina – 7.1 percent, Winnipeg – 6.9 percent, Thunder Bay – 5.9 percent and Edmonton – 3.8 percent.

- Although concerns have been expressed about the development of inner-city “ghettoes” characterized by social problems (Sgro, 2002: 21), levels of segregation of urban Aboriginal people are “low to moderate,” with sizeable concentrations in only three cities. In 1996, there was one census tract in Winnipeg where Aboriginal people made up slightly more than half the population, and four additional tracts where they were one-third or more of the population. Regina and Saskatoon each had only one census tract where Aboriginal people were between 30 and 39 percent of the population.

- The average total personal income for the urban Aboriginal population in 1996 was $15,475, compared to $24,110 for urban non-Aboriginal people. In 1996, nearly half of the urban Aboriginal population was poor, compared to 21 percent of the urban non-Aboriginal population; the unemployment rate for urban Aboriginal people was 22 percent, compared to 10% for non-Aboriginal Canadians.

Despite these statistics, Graham and Peters point to rising levels of education and the emergence of an Aboriginal middle class. They nevertheless underline the differences in well-being between the Aboriginal and overall urban population (see also Hanselmann, 2001; Richards, 2001), and the need for concerted action to improve the life chances of Aboriginal women, youth and children.

Urban Poverty

Poverty has been increasing, and becoming more concentrated, in urban Canada – particularly in the country’s largest cities. Based on their review of recent research, Anne-Marie Séguin and Gérard Divay report the following trends:

- Between 1990 and 1995 the poor population in CMAs grew by 33.8 percent; outside CMAs, it rose by only 18.2 percent. The following groups are the most likely to be poor: single-parent families, Aboriginal people, recent immigrants, visible minorities, elderly women and persons living with disabilities.

- Poverty levels are the highest in Quebec’s largest cities; the cities of Southern Ontario have the lowest levels. Levels also vary considerably within large cities. For example, in 1995 poverty levels within the Toronto CMA varied from 27.6 percent for the City of Toronto to 9.9 percent for Oakville.
• In 1986 there were 225 census districts in the 25 CMAs with concentrations of poverty in excess of 40 percent. Of these, 115 were located in Montreal. Ontario’s cities had lower levels of concentrated urban poverty, while Winnipeg (like Montreal) had a high concentration of poor people in such zones. A 1992 study found that in seven CMAs, including Toronto, Vancouver and Winnipeg, all districts of the inner city had disproportionately high concentrations of poor households.

• Between 1980 and 1995 economic segregation (greater intra-urban separation based on income) increased in five of the eight largest cities, and in four communities (Edmonton, Calgary, Quebec and Winnipeg) played a decisive role in widening disparities between census areas.

Despite these trends, Séguin and Divay point out that it is unusual for neighbourhoods to experience simultaneously all the aspects of deprivation generally associated with chronic poverty. They cite a 2000 study on Montreal, Toronto and Vancouver for which the authors calculated four indicators of deprivation. The study found only one census district in each of Montreal and Toronto (but none in Vancouver) that was classified as deprived on all four indicators. A slightly higher number of districts displayed three of the four characteristics: six in Toronto, five in Montreal and none in Vancouver. According to Séguin and Divay, there is a need to “nuance certain extreme views” about the deprivation of people living in the poor areas of Canada’s three largest cities. Nonetheless, they find the growth in urban poverty and its concentration disquieting and underline the need to ensure conditions do not deteriorate further.

Spatial Concentration and Neighbourhood Effects

There is growing concern about the implications of the increasing spatial concentration of poor people and certain groups within Canada’s largest cities. While further research is needed to inform public discussion, particularly on the concentration or otherwise of Aboriginal people and visible minority immigrants, some of the trend lines suggest Canada will see a rise in the number of “distressed neighbourhoods.” The related phenomenon of social polarization has also received attention (Ley, 1994). Some researchers and commentators point to the dire situation in many American inner cities and contend (or imply) that some of Canada’s cities may go down the same route.

This debate draws on recent research on “neighbourhood effects”: the net change in life chances associated with living in one neighbourhood (or area) rather than another. In this regard, Neil Bradford (2002: 35) documents that American and European studies of poor neighbourhoods show that residents are considerably less healthy than others (regardless of individual characteristics), have shorter life expectancies and are more exposed to disease. Moreover, a recent American study links “place-based inequalities” to a vicious circle: “Increasing economic inequality leads to a concentration of poverty in certain neighbourhoods, which in turn undermines the efforts of the residents to escape from poverty. The study concludes that “many places (and the people who live in them) are being left behind” (Dreier et al., 2001: 24, 260).

Bradford (2002: 35) situates the research on neighbourhood effects within the broader context of studies of social inclusion:
The pattern increasingly is one of spatially concentrated deprivation and exclusion. The poor thus not only live in poverty but among other people who are also poor and separated from those who are not, signaling the absence of social networks linking to opportunity, or even information about where potential opportunities might exist. … [S]ocial exclusion, perhaps originating in individual human capital deficiencies or unemployment, is compounded by features of the locality itself.

From this perspective, neighbourhood effects have an impact on not only the life chances of people living in distressed neighbourhoods but also the social fabric of those neighbourhoods and their linkages to other parts of the city. The implications for social sustainability are evident.

Séguin and Divay conclude that, even if neighbourhood effects play an important role, these effects have a weaker impact on the behaviour and well-being of children than personal and family characteristics such as the income of parents, education and employment. They also cite research demonstrating that in Montreal and other major Canadian cities there is still a certain social mix within poor areas. Moreover, they caution against extrapolating from research on American cities, noting that social safety nets and other public services, as well as the character of inner cities, differ considerably in Canada. That said, the growing spatial concentration of poverty in a number of Canadian cities should concern policy-makers. As one participant at the CPRN roundtable put it, poverty and the growing social polarization between inner and outer cities are “diminishing choices” for people who live in inner cities.

Housing

The availability and price of housing have an enormous impact on the physical and social urban landscape. There are also impacts on residents’ disposable income, access to employment and quality of life, as well as on social inclusion. While the private market plays the largest role in Canada’s housing system, public funding, whether to construct accommodation (to rent or buy) or to provide subsidies or incentives to builders, enhances access to decent housing for people with lower incomes. The Sgro Task Force reported that in nearly every major city that it visited it heard about the shortage of affordable housing being a major challenge. It noted, in particular, that “[a]s competition for existing housing stock intensifies, tenants at the lower end of the market increasingly have no choice but to turn to shelters or remain in already overcrowded conditions” (Sgro, 2002: 17-18). The withdrawal of government support for social housing is a particular factor that may have led to the increase in numbers of homeless persons over the last decade (Peressini and McDonald, 2000: 531).

Although the federal government became active in housing policy in the late 1930s (Fallis, 1994), it initially focused on making the amortized mortgage market work. As David Hulchanski documents in his paper, it was only the 1964 amendments to the National Housing Act (NHA) that launched an effective public housing program that created about 200,000 units over about 10 years. In 1973, further amendments to the NHA introduced an assisted home ownership program, a neighbourhood improvement program, a housing rehabilitation program, a native housing program, and a non-profit and co-op housing program. These programs lasted until the mid-1980s, when the Mulroney government began to cut housing programs. By 1993,
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all federal support for new social housing was withdrawn. The supply of new social housing fell from an annual level of about 25,000 units in 1983 to zero in the 1993 Budget.

Hulchanski notes that the three levels of government currently spend about $4 billion on housing, about one percent of total government expenditures. As to the federal government’s 2001 Budget commitment to spend $680 million over five years for affordable housing, he estimates that this will provide about 5,400 new housing units a year – an average of only 500 units in each province, in a country of about 11 million households.

Hulchanski also addresses the question of homelessness. He criticizes the current federal program (see Canada, National Homelessness Initiative, n.d.) for primarily funding services to people who have no housing. He adds that, even though the initiative funds some prevention programs, such a program can only be truly effective if more affordable housing is available, so that homeless people have somewhere to go.

The four papers CPRN commissioned for this project paint a picture of a highly diverse urban environment: 1) a rising proportion of immigrants, increasingly from visible minorities, within Canada’s three largest cities, particularly Toronto; 2) significant Aboriginal populations in certain Western cities, often facing economic and social marginalization; 3) an increase in the number of poor or even distressed neighbourhoods within certain cities, particularly in Quebec; and 4) more generally, considerable variation in the demographic composition of the country’s urban communities as a whole. While diversity within cities often constitutes a considerable strength, this should not lead to complacency. In the words of the authors of a recent comparative study of urban social cohesion, “[t]he city of diversity and difference is also the city of division and fragmentation” (Kearns and Forrest, 2000: 1013-1014). This points clearly to the need to foster social sustainability – a perspective that includes support for both individuals (to enrich their life chances) and communities (cities as a whole and particular neighbourhoods), as well as efforts to build networks and bridges to foster inclusion and participation.

IV. Possible Actions

The authors of the four CPRN papers comment on the recommendations of the Sgro Task Force, propose policy directions, and address issues of policy interdependence and intergovernmental collaboration. In this section, a summary of their proposals and suggestions is provided. A number of observations from participants at the CPRN roundtable are also included.

Policies and Programs

Urban Poverty

In its interim report, the Prime Minister’s Task Force on Urban Issues began its discussion of “social challenges and opportunities” with the following observations (Sgro, 2002: 16):

Our urban areas are home to a growing number of vulnerable people and more must be done to address social problems such as poverty, drug and alcohol abuse, and
marginalization. The working poor and their children, single-parent families, seniors, urban Aboriginals, and people with disabilities, are most often at risk.

In this regard, the Task Force recommended (Sgro, 2002: 17) that the Government of Canada “review the federal income support systems to ensure that they are meeting the needs of Canada’s most vulnerable populations.”

Although Anne-Marie Séguin and Gérard Divay do not propose changes to particular federal programs, they underline that policy-makers must not underestimate the long-term spatial effects of general policies and programs (available to all individuals who meet the criteria for access) compared to the effects of spatially-focused interventions. According to the authors, “aspatial” policies can have positive territorial effects, especially in poor neighbourhoods, since they provide poor populations with public services wherever they live, as well as encouraging a social mix in both disadvantaged and other neighbourhoods. Nevertheless, drawing on case studies of certain initiatives developed for deteriorating neighbourhoods in Montreal, Séguin and Divay suggest that targeted actions are also useful. They can reinforce general policies and programs, while being attentive to equity considerations (see also Jenson and Mahon, 2002: 27). At the CPRN roundtable, a number of participants expressed support for targeting “both people and places.”

**Immigrants**

On immigration, the Sgro Task Force provided a series of recommendations, including: reviewing with provincial and municipal governments the funding for settlement and integration programs and services; providing access to upgrading and training programs for newcomers; and additional funding for non-governmental organizations (NGOs) and community groups to provide additional support services for families, particularly language classes for women and children (Sgro, 2002: 24).

In his paper, Martin Papillon agrees with the essence of the Task Force’s direction. He insists, however, that policies and programs must recognize the range of immigrant experiences. In effect, they should take two complementary paths: first, additional targeted services are needed to respond to the diversity of situations in urban Canada; second, greater coordination among levels of government and community-based actors is needed to ensure effective use of resources. He provides several specific proposals:

- invest in medium- to long-term settlement services for certain immigrants at risk of exclusion, including job training, access to affordable housing and more extensive language training;

- government leadership to standardize the process for assessment and recognition of credentials;

- a collaborative strategy, involving all levels of governments, local actors and community representatives, to respond to the growing problem of exclusion faced by visible minorities;

- urban revitalization programs, including public spaces and community infrastructure, with increased access to social services and targeted employment strategies;
• federal government funding of local infrastructure, such as sports and recreation facilities and community-based initiatives, to help create urban spaces and institutions conducive to the development of strong civic networks; and

• in any housing strategy developed by governments, address the circumstances of recent immigrants and the potential risks associated with spatial segregation in poor neighbourhoods.

There was a good deal of discussion of immigration and settlement issues at the CPRN roundtable. Participants underlined the importance of language training and recognition of credentials; identified cities’ limited fiscal capacity as a significant problem; and mentioned the impact on inner cities of gentrification and inadequate public transit. One participant characterized settlement services as being “very near” to social services because they are at the “front end” of newcomers’ adjustment. She added that these services need to be coordinated with other policy actions to foster sustainable diversity.

Aboriginal People

As with immigration issues, the Sgro Task Force made several recommendations concerning Aboriginal people and communities (Sgro, 2002: 22), including:

• partner with other governments and community Aboriginal groups to reduce poverty levels, provide employment opportunities and expand the housing stock for urban Aboriginal people, especially youth;

• strengthen educational supports at post-secondary levels; and

• examine current policies and develop ways to target the special needs of the urban Aboriginal population, including Métis and non-Status Indians.

Katherine Graham and Evelyn Peters stress the need to take into account the varying situations of urban Aboriginal populations. They recommend a particular emphasis on policies and programs that benefit specific segments of the urban Aboriginal population to meet particular needs and respect cultural differences. More specifically, the authors propose:

• special efforts to develop policies and initiatives that respond to the circumstances of Aboriginal women, youth and children in cities;

• a priority on providing appropriate, affordable and adequate housing;

• specific programming to meet child care needs to encourage participation in education and labour market activities by women who lead single families;

• support for Aboriginal cultural initiatives, in part to foster cultural diversity in cities and possibly reduce mobility between urban and other areas;

• explore community-based approaches to economic opportunity and entrepreneurship; and

• federal government leadership, in collaboration with other actors, to eradicate racism.
Graham and Peters also recommend that the federal government confront the “arbitrary legal distinctions” between Status and non-Status Indians and extend access to some federal programs – for example, those that provide support for post-secondary education – to Métis and non-Status Indians.

At the CPRN roundtable, the small group that discussed urban Aboriginal issues agreed on the importance of recognition, respect and inclusion – particularly the opportunity for Aboriginal people to participate in the broader community. On specific actions, the group identified: education, including in the practice of citizenship; improved housing; and funding to provide opportunities for Aboriginal communities to share their different experiences and best practices. One participant called for a *rapprochement* of civil society organizations, both between Aboriginal organizations and with those of the broader community.

**Housing**

The Sgro Task Force devoted considerable attention to housing and recommended a “National Affordable Housing Program” that would include the following elements (Sgro, 2002: 20):

- expansion of existing federal housing programs;
- reviewing federal tax rules on rental housing to create appropriate incentives;
- additional resources to rehabilitate existing properties, including for the restoration and conversion of heritage properties; and
- targeted mortgage insurance for brownfield development to encourage the building of social housing.

David Hulchanski provides a detailed set of recommendations:

- about $1 billion to provide capital funding for the provision of 20,000 to 25,000 new social housing units a year to assist directly households in need;
- about $500 million a year for rent supplements for about 160,000 households to help low-income tenants pay their rent;
- about $125 million a year for 10,000 new supportive housing units (such programs include social and other services for those who have special needs and/or lack a support system);
- about $125 million a year to double rehabilitation funding for 30,000 units; and
- $250 million a year on services and shelter for homeless people.

Hulchanski also recommends that if the federal homelessness initiative is continued after it expires in 2003, it be based on the objective of achieving a measurable decrease in the size of the homeless population.

At the CPRN roundtable, the small group that discussed housing agreed that, to avoid encouraging polarization, social housing should be mixed and integrated within communities.
However, according to the group’s *rapporteur*, there is considerable antipathy to social housing in some cities, especially Toronto; this creates obstacles to developing such housing in suburbs. While noting the need for governments to work together, along with housing organizations and the private sector, the small group agreed that a national program for social housing would probably be feasible only if the federal government provided a significant share of the funding. A roundtable participant said that any such initiative should not be a “one-size-fits-all” program. Another participant suggested that investments in affordable housing should be seen as a “lever to other activities” and that there be a focus on distressed neighbourhoods.

On homelessness, there was some debate at the roundtable about the proportion of people now in shelters who could move into low-cost housing if more were available. A number of participants referred positively to the Supporting Community Partnerships Initiative (see Canada, National Homelessness Initiative, n.d.; Jenson and Mahon, 2002: 26), a key element of the current federal government homelessness program, as a model that might be followed for other initiatives to promote urban social sustainability.

**Implementation and Governance**

As discussed in Section 2, the scale and complexity of urban issues, and linkages among them, has led researchers and commentators to underline the need for cooperation – whether through formal agreements and partnerships, or otherwise – among governments and other actors. As should be evident from the preceding survey of their proposals, the authors recognize the interdependence of policy sectors and programs that can support the social sustainability of Canada’s cities. Graham and Peters, for example, identify “a more holistic understanding” of what makes cities vital and how urban policy processes need to work as one of the key characteristics of the current policy milieu; in their view, part of that understanding is the recognition that locally driven initiatives can be very responsive to immediate problems. Séguin and Divay see urban poverty issues as interdependent and warn against “compartmentalization” of their manifestations. At the CPRN roundtable, several participants stressed the need to address urban priorities across departmental boundaries within governments.

Turning to questions of implementation, the Sgro Task Force (Sgro, 2002: v) underlined the need for collaboration to put in place the urban strategy and particular actions it proposed: “Canada’s Urban Strategy would provide a strategic framework for a collective approach, with the Government of Canada acting as the catalyst within a strengthened urban partnership. It offers an opportunity to establish a foundation for sustainable growth … in collaboration with provincial, municipal and community partners.”

Again, there was substantial agreement among the authors of the papers. For Papillon, strengthening the sustainable diversity of Canadian cities requires a high degree of collaboration among governments and the numerous non-governmental agencies and community groups that offer settlement services, language training and cultural resources for recent immigrants. To implement his housing proposal, Hulchanski suggests the federal government should lead the way but that provincial governments could cost-share some programs.
While few would dispute the merits of horizontality within governments, and collaboration among them, Canada’s federal structure and the diversity of communities that merit attention mean that the challenges are considerable. For example, Graham and Peters see the “jurisdictional maze” in which most Aboriginal people live as a considerable obstacle. They note that Aboriginal people living in cities have received less attention than they should because of the federal government’s interpretation of section 91(24) of the *Constitution Act, 1867*. The authors add that most provincial governments have been “reluctant players” on Aboriginal policy. As to the future, Graham and Peters call for federal government leadership; in their view, this will require “significant efforts” to develop horizontal policy and program linkages within the federal government. To that end, they favour the appointment of a new Minister of Aboriginal Relations, with responsibility for overall policy leadership on Aboriginal matters, including the urban dimension. According to the authors, “constructive vertical linkages” with provinces and municipalities will also be required. They add, however, that the specific characteristics of the intergovernmental relationship on urban Aboriginal matters will vary, depending on the province or territory involved.

At the CPRN roundtable, there was considerable discussion of implementation and governance issues. One participant called for the three orders of government to “put away turf wars” and work together. Another mentioned that working horizontally means “having all the players at the table”; she added, however, that city governments are often not present. This point was also raised with reference to immigration and related policies. It was mentioned that, unlike in a number of other provinces, the City of Toronto is excluded from discussions between the federal and Ontario governments (on the question of cities’ involvement in “multigovernance,” see Cameron and Simeon, 2002: 70). Several participants spoke favourably about the federal-provincial-municipal agreements developed for Winnipeg and Vancouver’s Downtown Eastside (see Sgro, 2002: 17).

As to the management of urban issues within the Government of Canada, roundtable participants generally agreed on the need for a more coordinated approach. Although there was some discussion about the former Ministry of State for Urban Affairs that existed from 1971 to 1979 (Andrew, 1994: 430-433), no one advocated the creation of a department or agency with a government-wide mandate for urban issues.

There was also considerable support at the roundtable for greater involvement of business and for partnerships with NGOs and Aboriginal groups. In this regard, one participant pointed out that true partnerships require “give and take” from the parties; another cautioned against “mandated partnerships,” by which governments direct a number of NGOs to reach an agreement on the means to deliver certain services. In the context of collaborative initiatives with Aboriginal communities, there was some discussion about the need to strengthen policy capacity within certain organizations.

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6 A Canada West Foundation discussion paper supports tripartite agreements and programs. It notes, however, that all parties “should keep in mind a future date when the municipal government is left alone to handle a project or program” and that “tripartite agreements should focus on projects with clear completion dates” (Berdahl, 2002: 6).
To conclude this section, it is fair to say that the recommendations in the interim report of the Task Force on Urban Issues and the actions proposed by the authors of the four papers commissioned for this project are generally consistent. While some of the authors were more specific in certain areas – for example, housing – there is a shared recognition that social policies and programs are closely linked to the health of Canada’s cities. By some measures, many of the country’s urban areas are prosperous and vibrant. However, some groups and communities within those areas are falling behind. In response, policy-makers need to use an “urban lens” to assess the spatial impacts of general policies and their contribution to the life chances of a wide range of Canadians. At the same time, targeted or community-specific actions can make a difference, and these should be shaped in part by those who live in those communities. In both cases, there was agreement among the authors and at the CPRN roundtable on the need for greater horizontal coordination within the federal and the other two orders of government, and for enhanced cooperation among them.

V. Conclusion

Canadian Policy Research Networks developed this project to contribute to the growing public debate about the future of Canada’s cities and, in particular, to encourage careful analysis and policy thought about the role the Government of Canada should play in that regard. It was based on the premise that the policy objectives and actions of governments and other actors must address not only economic factors but also the quality of life in urban communities. To that end, the theme of social sustainability was the focal point of the four papers CPRN commissioned. This opened the door to analysis of socio-economic conditions within Canada’s larger cities and discussion of issues such as marginalization and social exclusion.

The four papers illustrate that Canada’s urban environment is characterized by: a rising proportion of immigrants, increasingly from visible minorities, within Canada’s three largest cities, particularly Toronto; significant and growing Aboriginal populations in certain Western cities, often facing economic and social marginalization; and an increase in the number of poor or even distressed neighbourhoods within certain cities, particularly in Quebec. Trends such as these have led some commentators to ring alarm bells by suggesting that parts of Canada’s major urban centres may soon resemble the inner areas of certain American cities. The CPRN authors who addressed these issues pointed out that the degree of spatial concentration – whether of the poor or Aboriginal people – is not as marked as some claim. They nevertheless underlined that social polarization is growing within a number of cities. This may diminish choices for residents who are falling behind and not sharing in all the benefits of inclusive communities.

The project confirmed that fostering the social sustainability of Canada’s cities requires enhancing the life chances of their residents. This would include support for individual citizens through general policies and programs, spatially targeted initiatives directed at vulnerable neighbourhoods, as well as efforts to build networks and bridges to foster inclusion and participation. Both in the papers and at the CPRN roundtable, there was agreement that sensitivity to the varied characteristics of Canada’s cities is essential and that there should be meaningful community participation in the design of new or enhanced programs.
On implementation and governance, the project findings suggest that, to promote the social sustainability of cities, governments need to coordinate more effectively their various programs and services. In addition to taking account of the evident policy interdependence, actions must reflect constitutional reality: provincial governments have responsibility for municipalities, and many of the relevant policy areas are in good measure within provincial jurisdiction. In consequence, the federal and provincial governments need to cooperate more effectively and, where appropriate, find ways to involve city governments to a greater degree. It is noteworthy that the recent territorial review of Canada from the Organisation for Economic Co-operation and Development (2002: 4) underlines the benefits of “negotiated planning” for local investment and development projects leading to area-based partnerships. The private sector and community organizations also have a role to play in developing certain such projects and, in some cases, delivering services. As a catalyst within this relatively complex environment, the federal government’s responses to the challenges of social sustainability may well take varied forms. While some of these have not yet been charted, it is important that they all be informed by openness to innovation, a collaborative spirit and responsiveness to local concerns.
Bibliography


CPRN Funding Sources

Project Funders

• Canadian Heritage
• Citizenship and Immigration Canada
• City of Toronto
• Environment Canada
• Human Resources Development Canada
• Laidlaw Foundation
• Policy Research Initiative
• Privy Council Office
• Public Works and Government Services Canada

Donations (2001-2002)

• BCE Inc.
• IPSCO Inc.
• John Wiley & Sons, Inc.
• Power Corporation of Canada

• Board Members, Campaign Committee and management team
• Many e-network subscribers and friends of CPRN