



# RESEARCH HIGHLIGHTS

Research Highlight No.8

November 2006

## THE IMPACT OF ECONOMIC RESTRUCTURING ON INNER CITY WINNIPEG

### Introduction

This research highlight documents some of the impacts economic restructuring has had on inner city Winnipeg. It illustrates the relative position of the inner city versus the rest of the city using indicators pertaining to economic restructuring processes with a particular focus on occupational structure.

### Economic Restructuring and Its Impact on Inner Cities

Today North American inner cities are facing several challenges including population decline, high unemployment and low labour force participation rates, high residential mobility, and high proportions of people with low skill levels amongst visible minorities, recent immigrants, single-parent families, and (in some cities) people of Aboriginal origin (Bourne 2000, Bourne et al. 2001, Statistics Canada 2002, Gertler 2002). Macro level changes such as globalization of the economy and the associated restructuring of the labour force have particularly marked economic, social and physical implications for inner cities. The spatial segregation and socio-economic polarisation of inner-city populations is in part an outcome of a shift in emphasis to part-time and temporary jobs, a decline in job opportunities for low-skilled workers, and for some people an increase in long-term unemployment or long-term reliance on social assistance.

The blue-collar jobs that once formed the economic base of inner cities have either disappeared or moved to the suburbs, leading to a spatial mismatch between low-skilled jobs available in the periphery and the central location of low-income neighbourhoods. Within this scenario, the employment situation of marginal groups has become increasingly insecure. Even those people who are employed, are often “working poor” whose earnings have declined in real terms.

At the same time over the past couple of decades several North American cities have shown increased employment in the older central business districts in the city cores. The growth of these businesses, which generally employ high-order occupations, are generating a new class of residents who value an urban lifestyle and want to life in the older residential areas near the core. This is resulting in a modest but distinctive repopulation of the inner city, generally by higher income residents (Bourne 1992).

### Economic Restructuring Indicators: Summary of Inner City Trends

Many characteristics of the inner-city distress in Winnipeg indicate that it represents the typical North American model of urban decline. Analysis of key socio-economic characteristics indicates that urban decline has characterized Winnipeg’s inner city for several decades (see CRC Research Highlights ## 1-5). The socio-economic

characteristics also illustrate that the inner city has experienced more severe challenges caused by economic shifts compared to the rest of the city. The processes of economic restructuring have enhanced the disparity between the inner city and outer city Winnipeg. Labour force participation rates, average income levels, unemployment rates, occupational structure and poverty rates indicate that most areas of the inner city are occupied by a marginalized group of people. The concentration of disadvantaged groups is further confirmed by low levels of education and low homeownership rates, high concentrations of Aboriginal people characterized by low skill and high poverty levels, high residential mobility, inner-city population decline and deteriorating housing conditions in many residential areas.

### Occupational Structure in the Inner City

Although Winnipeg's labour force grew by 9100 jobs in the 1991 to 2001 period there was a significant decline of 22 percent in the occupational categories of primary industry, and 9 percent in trades, transport and equipment operators (Table 1). Table 2, illustrating labour force by industrial division, indicates wide spread job loss in primary industries (A through D), construction, transport and storage, communications and utilities, retail, finance and insurance, and government services. Although the decline was most pronounced in the 1991-1996 period this was not a positive decade for labour force growth in Winnipeg. Employment grew by 12%, in service industries like accommodation, food and beverage service, health and social service grew by 18%, and business services by 55%. For the less-educated inner city residents, however, it meant that their employment opportunities fell markedly.

Table 3 further illustrates the growing disadvantage of the inner city. While primary industry occupations in Winnipeg declined overall during 1996-2001, the decline was much more evident for the inner city: 31.5% compared to 11.4% for the rest of the city. The inner city saw some increase in occupations

unique to processing, manufacturing and utilities, however, for the rest of the city the growth was twice as high.

Over the 1996-2001 period there were increases in the high-skilled labour force (described by Richard Florida as the Creative Class workers<sup>1</sup>) in the inner city. The inner city's percentage increase in management, business and finance occupations, health related occupations, the natural and social sciences, education, art, culture, recreation and sport occupations was higher during 1996-2001 compared to the rest of the city. It should be noted, however, that though the rate of increase in these high-skilled occupations that drive urban change was higher for the inner city, the share of these occupations in the total labour force in the inner city, with the exception of art and culture occupations, is still lower than in other city areas.

Table 4 presents ratios of occupational categories by area of the city and selected neighbourhoods. The data suggests trends toward gentrification in the inner city areas of Wolseley, parts of St. Boniface, and West Broadway. For instance, the percentage of people employed in management occupations in Wolseley equals the city's ratio. The same can be said about business and finance professionals living in St. Boniface. North St. Boniface has higher ratios of natural science and health occupations than any other area of the city. In Wolseley over 19% of its residents work in social science, education and government service occupations, more than twice the ratio in the city as a whole. This gentrification trend, however, is not occurring on the scale of other Canadian and international cities, for instance Gastown in Vancouver or Greenwich Village in New York.

### Conclusion

Macro level changes in the economy and labour force restructuring have a definite effect on the inner city making its position particularly vulnerable. Job growth for inner city residents with their low skill and education levels was not positive over the 1991-2001 period leading to long term unemployment and dependency on social

---

<sup>1</sup> Florida, R. 2002. *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. Basic Books, 1st edition.

assistance for many and further contributing to the poverty and social inequity in the inner city. At the same time, growth in professional occupations in the central business district may have stimulated the movement of higher income people into nearby residential areas starting a trend toward gentrification in some neighbourhoods thereby contributing to displacement of the poor.

In summary:

1. The city experienced an overall decline in most labour force sectors over 1991-2001. This negatively affected both the inner city and the city as a whole.
2. The city experienced substantial decline in low-skilled occupations related to primary industries, construction, retail and transport in the city
3. The inner city suffered a more dramatic decline in these low-skilled occupations than the city.
4. Both the city and the inner city experienced growth in “new economy” occupations such as management, sciences and health occupations. Inner city growth was proportionally higher in some of these occupations compared to the rest of the city but the share of these high skilled occupations (except arts and culture) in the total labour force in the inner city was still lower than in other areas of the city.
5. Some of the people employed in these high skilled, higher paid professions have chosen to live in certain neighbourhoods in the inner city, perhaps indicating a trend toward gentrification and raising concerns of displacement of the poor.

Though Winnipeg’s inner city is the target of successful revitalization initiatives including community-based efforts to rehabilitate housing and build stronger communities, inner city residents still have to cope with critical issues like poverty, unemployment, poor quality housing, and other problems. Several trends outlined above suggest that although inner city programming is making a positive difference, economic swings on a national basis are very influential in defining the future of inner city residents.

#### References:

1. Bourne, L.S. 2000. Urban Canada in transition to the twenty-first century: trends, issues and visions. In *Canadian cities in transition: The twenty-first century* . 2nd Edition. eds. T. E. Bunting and P. Filion. Toronto: Oxford University Press.
2. Bourne, L. and Rose, D. 2001. The changing face of Canada: The uneven geographies of population and social change. *The Canadian Geographer* , 45:105-120.
3. Gertler, Meric S. 2002. *Canadian Cities Confront Globalization: Flows of People, Capital and Ideas*. Center for Globalization and Policy Research, School of Public Policy and Social Research, UCLA. Working Paper No. 10.
4. Statistics Canada. 2002. *A profile of the Canadian population: where we live*. Ottawa: Statistics Canada.

**Chesya Polevychok**  
Research Associate

**Tom Carter**  
Canada Research Chair  
in Urban Change and Adaptation

The Institute of Urban Studies  
The University of Winnipeg  
103-520 Portage Avenue  
Winnipeg MB R3C 0G2  
Phone: 1 (204) 982-1148  
Fax: 1 (204) 943-4695  
Our e-mails:  
[t.carter@uwinnipeg.ca](mailto:t.carter@uwinnipeg.ca)  
[m.polevychok@uwinnipeg.ca](mailto:m.polevychok@uwinnipeg.ca)

**Table 1. Winnipeg CMA: Employment by Occupational Category 1991-2001**

Occupational Category	1991-2001 change	
	%	#
Total labour force	2.6	9,155
A. Management occupations	3.4	1,120
B. Business, finance and administrative occupations	-0.1	-85
C. Natural and applied sciences and related occupations	24.3	4,000
D. Health occupations	12.5	2,665
E. Social science, education, government service and religion	7.0	1,720
F. Art, culture, recreation and sport	11.7	1,005
G. Sales and service occupations	2.9	2,615
H. Trades, transport and equipment operators & related occupations	-8.7	-4,455
I. Occupations in primary industry	-22.0	-1,325
J. Occupations in processing, manufacture & utilities	11.8	2,910

**Table 2. Winnipeg CMA: Employment by Industry 1991-2001**

Industry Divisions	1991		1996		2001		1991-1996 change		1996-2001 change		1991-2001 change	
	Total	% of labour force	Total	% of labour force	Total	% of labour force	%	#	%	#	%	#
Total labour force	356,910		352,755		366,070		-1.2	-4,155	3.8	13,315	2.6	9,160
A - Agricultural and related service	4,070	1.1	3,695	1.0	3,305	0.9	-9.2	-375	-10.6	-390	-18.8	-765
B - Fishing and trapping	160	0.04	110	0.03	120	0.03	-31.3	-50	9.1	10	-25.0	-40
C - Logging and forestry	415	0.1	310	0.1	310	0.1	-25.3	-105	0.0	0	-25.3	-105
D - Mining (including milling), quarrying and oil well	590	0.2	530	0.2	435	0.1	-10.2	-60	-17.9	-95	-26.3	-155
E - Manufacturing	47,060	13.2	45,125	12.8	49,295	13.5	-4.1	-1,935	9.2	4,170	4.7	2,235
F - Construction	18,760	5.3	15,665	4.4	16,745	4.6	-16.5	-3,095	6.9	1,080	-10.7	-2,015
G - Transportation and storage	21,695	6.1	20,175	5.7	19,405	5.3	-7.0	-1,520	-3.8	-770	-10.6	-2,290
H - Communication and other utility	14,580	4.1	13,910	3.9	13,075	3.6	-4.6	-670	-6.0	-835	-10.3	-1,505
I - Wholesale trade	17,725	5.0	18,905	5.4	19,170	5.2	6.7	1,180	1.4	265	8.2	1,445
J - Retail trade	44,025	12.3	41,320	11.7	42,690	11.7	-6.1	-2,705	3.3	1,370	-3.0	-1,335
K - Finance and insurance	16,365	4.6	13,540	3.8	13,980	3.8	-17.3	-2,825	3.2	440	-14.6	-2,385
L - Real estate operator and insurance agent	6,490	1.8	6,855	1.9	6,785	1.9	5.6	365	-1.0	-70	4.5	295
M - Business service	16,200	4.5	19,785	5.6	25,170	6.9	22.1	3,585	27.2	5,385	55.4	8,970
N - Government service	31,005	8.7	25,115	7.1	26,350	7.2	-19.0	-5,890	4.9	1,235	-15.0	-4,655
O - Educational service	26,580	7.4	26,335	7.5	27,155	7.4	-0.9	-245	3.1	820	2.2	575
P - Health and social service	38,465	10.8	40,460	11.5	45,545	12.4	5.2	1,995	12.6	5,085	18.4	7,080
Q - Accommodation, food and beverage service	23,440	6.6	24,280	6.9	26,210	7.2	3.6	840	7.9	1,930	11.8	2,770

Occupational Category	Inner City					The City					Outer City				
	1996	% of labour force	2001	% of labour force	1996-2001 % change	1996	% of labour force	2001	% of labour force	1996-2001 % change	1996	% of labour force	2001	% of labour force	1996-2001 % change
Total labour force	53700	100.0	59080	100.0	10.0	312235	100	330110	100	5.7	258535	100.0	271030	100.0	4.8
A. Management occupations	2915	5.4	3650	6.2	25.2	25515	8.2	31320	9.5	22.8	22600	8.7	27670	10.2	22.4
B. Business, finance and administrative occupations	8620	16.1	9360	15.8	8.6	66315	21.2	67725	20.5	2.1	57695	22.3	58365	21.5	1.2
C. Natural and applied sciences and related occupations	1790	3.3	2560	4.3	43.0	14475	4.6	18765	5.7	29.6	12685	4.9	16205	6.0	27.7
D. Health occupations	2660	5.0	3445	5.8	29.5	18420	5.9	22065	6.7	19.8	15760	6.1	18620	6.9	18.1
E. Social science, education, government service and religion	3500	6.5	4505	7.6	28.7	22860	7.3	28080	8.5	22.8	19360	7.5	23575	8.7	21.8
F. Art, culture, recreation and sport	1830	3.4	2250	3.8	23.0	8465	2.7	9020	2.7	6.6	6635	2.6	6770	2.5	2.0
G. Sales and service occupations	17000	31.7	16495	27.9	-3.0	90170	28.9	83420	25.3	-7.5	73170	28.3	66925	24.7	-8.5
H. Trades, transport and equipment operators & related occupations	7745	14.4	9175	15.5	18.5	40460	13.0	43210	13.1	6.8	32715	12.7	34035	12.6	4.0
I. Occupations in primary industry	810	1.5	555	0.9	-31.5	3360	1.1	2815	0.9	-16.2	2550	1.0	2260	0.8	-11.4
J. Occupations in processing, manufacture & utilities	6830	12.7	7085	12.0	3.7	22195	7.1	23690	7.2	6.7	15365	5.9	16605	6.1	8.1

Occupational Category	Central St. Boniface		North St. Boniface		West Broadway		Wolseley		CA Inner City		CA Non-Inner City		CA City of Winnipeg		Winnipeg CMA	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Total - all occupations	2820	100	1070	100	2605	100	4925	100	60240	100	271640	100	331875	100	361745	100
A. Management occupations	170	6.0	75	7.0	125	4.8	465	9.4	3730	6.2	27695	10.2	31425	9.5	34480	9.5
B. Business, finance and administrative occupations	580	20.6	210	19.6	425	16.3	670	13.6	9590	15.9	58390	21.5	67975	20.5	73885	20.4
C. Natural and applied sciences and related occupations	135	4.8	70	6.5	150	5.8	270	5.5	2610	4.3	16275	6.0	18890	5.7	20440	5.7
D. Health occupations	195	6.9	90	8.4	135	5.2	295	6.0	3450	5.7	18700	6.9	22150	6.7	23955	6.6
E. Social science, education, government service and religion	350	12.4	80	7.5	205	7.9	945	19.2	4625	7.7	23640	8.7	28260	8.5	30225	8.4
F. Art, culture, recreation and sport	90	3.2	50	4.7	150	5.8	470	9.5	2305	3.8	6725	2.5	9025	2.7	9605	2.7
G. Sales and service occupations	750	26.6	260	24.3	890	34.2	1265	25.7	16800	27.9	67090	24.7	83890	25.3	90015	24.9
H. Trades, transport and equipment operators & related occupation	335	11.9	145	13.6	280	10.7	430	8.7	9370	15.6	34165	12.6	43540	13.1	49215	13.6
I. Occupations in primary industry	45	1.6	20	1.9	35	1.3	30	0.6	595	1.0	2245	0.8	2835	0.9	4685	1.3
J. Occupations in processing, manufacture & utilities	175	6.2	75	7.0	200	7.7	95	1.9	7170	11.9	16710	6.2	23875	7.2	25245	7.0