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

Neil Bradford

Department of Political Science

Huron University College, University of Western Ontario

London

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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 polity. 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).

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 widely understood to create the new forms of urban poverty and social exclusion. Their implementation in selected places may only confirm the retreat of the state from the kind of universal commitments that remain the foundation of inclusive cities. There is no consensus yet about how best to tackle spatially concentrated poverty in cities. Macro-level policies and geographically targeted approaches are both on the agenda, and important challenges remain in integrating area-based initiatives into wider national policies and programs.

This paper 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-driven anti-poverty policy, nor the European tradition of state orchestrated urban regeneration policy. But in the past five years or so, considerable Canadian political discussion – and policy experimentation – has been devoted to the problems and prospects of the country's cities. After nearly three decades of disengagement from urban affairs, the federal Liberal government in 2004 and 2005 launched its New Deal for Cities and Communities. We explore this urban agenda, analyzing application of the three main New Deal policy tools 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. While the Liberal government spoke often about the New Deal's "social pillar", it offered little substance. With the Conservatives taking power in early 2006, the federal urban agenda appears to be shifting once again and the paper concludes with brief thoughts on emerging policy directions.

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 neighbhourhoods 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). 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.

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 problem-solving agents (OECD, 1998; Healey et al., 2002). Mobilizing resources in the specific areas where the problems are most evident, national governments can ensure their interventions respect municipal plans, tap local knowledge, and leverage neighbourhood assets. "Our emphasis," Stren and Polèse write, "must be on *local* policies 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. 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 localized 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 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 that disregard local needs and capacities (Anderson and Musterd, 2005; McGregor et al., 2003). 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:

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[1] Integrating place-based and macro-level anti-poverty approaches is a prominent theme in a number of European national urban strategies (OECD, 1998:102-116). 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; Lupton, 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). For a critique in the American context see (Peck, 2001).

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 work together? How does "interscalar coordination" happen in practice?

The rest of this paper takes up these questions in the federal context of recent urban policy developments, and in the local context of neighbourhood revitalization in Toronto. Under the rubric of a so-called New Deal for Cities and Communities, Ottawa launched a series of urban initiatives proposing to align national policies with locally generated priorities and community-driven projects such as were emerging in Toronto in relation to the growth of high poverty neighbourhoods. The federal initiatives included fiscal transfers integrating national sustainability objectives with municipal planning, tri-level inter-governmental policy agreements to support social and physical revitalization in distressed areas, and development of a federal urban lens through which to interpret the policy impacts across a range of economic, social, environmental, and cultural policies.   Here, Ottawa's New Deal offered three specific mechanisms for interscalar coordination between the local and the national:

- federal-municipal fiscal transfers recognizing *local infrastructure priorities within federal guidelines.*

- federal-provincial-municipal area-based agreements allowing the *bending of mainstream policies and programs in response to local conditions.*

- federal-community demonstration and pilot projects facilitating national *policy learning from local experimentation.*

The next section highlights the context for the New Deal's emergence on the federal agenda, and details the three interscalar policy tools. The paper then considers whether and how they were applied to the problems of distressed neighbourhoods in Toronto

The Federal Urban Agenda, 2000-2005: 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; Scott, 2003; Lidstone, 2004). 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, inner 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. In an increasingly urbanized country, cities presented an attractive outlet for such reinvestment, despite the constitutional complexities related to provincial jurisdiction over municipal institutions. A country-wide network of big city mayors, municipal associations, research institutes, media outlets, banks, boards of trade, and community organizations called for new federal leadership in urban policy. There was also mounting research pointing to the significance of urban centres in driving innovation in the global knowledge economy. Moreover, it seemed only those cities that also offered a high quality of life in social and cultural terms could deliver on their economic potential (Gertler et al., 2002).

Thus, Prime Minister Jean Chretien, towards the end of his third mandate, tentatively embraced aspects of what was rapidly becoming known as the "cities agenda". He appointed a caucus task force on urban issues, significantly expanded existing municipal infrastructure agreements with the provinces, and introduced a three year $753 million homelessness program that creatively partnered with local networks to supply emergency shelter. At the same time, broader social reinvestments were made through agreements with the provinces in health care, post-secondary education, and supports for children.

It was Paul Martin's arrival as Prime Minister in 2003 that confirmed a new course for federal urban policy. 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 municipal fiscal pressures and public policy concerns. Once in office, Martin moved rapidly on the urban file. He established an External Advisory Committee to come up with a 30-year 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 to lead implementation. Martin proclaimed "The New Deal is a national project for our time" (Martin, 2005). And the aspirations described 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 policies in municipalities (Godfrey, 2004; Juneau, 2005). For each of these priorities, specific policy tools were brought forward: municipal revenue transfers; urban development agreements; and professional expert and community action research.

Municipal Revenue Transfers: Money and Accountability

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 particular 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 sustainability – in a long-term vision for the community.

Urban Development Agreements: Collaborative Relationships

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 and the government's plans to extend the model to cities across Canada, including Toronto (Godfrey, 2005). 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: The Urban Lens

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.[2] 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

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[2] Infrastructure Canada. "Research Strategy". Accessed at: http://www.infrastructure.gc.ca/research-recherche/strat/research-strategy_e.shtml February 27, 2006.

infrastructure and related communities issues in Canada".[3] 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.[4]

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. The gas tax transfer connected national sustainability policy priorities with local planning, thereby setting municipal and community choices within the federal guidelines. The urban development agreements established a structure where a host of federal and provincial policies could be adapted to neighbourhood conditions and coordinated with municipal strategies. The research programs were to improve federal policy capacity to respect local variation, and to draw on community experience and municipal expertise in policy development. Moreover, the 2005 Liberal-New Democrat federal budget package outlined multi-year expenditure plans in a series of fields with an indirect but significant urban impact, including early learning and child care, immigrant settlement, and affordable housing (Department of Finance, 2005; Dunn, 2005). With these macro-level social investments flanking the New Deal measures, the federal government was developing a framework with the potential to integrate its place-based initiatives into national policy.[5]

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[3] Infrastructure Canada. "About PRRS". Accessed at: http://www.infrastructure.gc.ca/research-recherche/rko/prrs/aboutprrs_e.shtml February 27, 2006.

[4] Social Development Candada. "Social Development Canada Partnerships Program". Accessed at: http://www.sdc.gc.ca/en/hip/sd/05_SDPP.shtml February 27, 2006.

[5] As one prominent municipal affairs observer wrote about the 2005 Liberal-NDP budget deal: "With substantial new funding for daycare, housing, transit and immigrant settlement, the Martin-Layton budget represents a landmark achievement in the long struggle for a federal policy that's responsive to urban needs." John Barber, "A Win for Harper is a loss for Toronto" *Globe and Mail*, May 14, 2005.

Of course, the degree to which this integration occurs depends on implementation across a number of policy fields. In this paper we consider only one aspect of the issue – 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. Numerous local actors in the past five years have called on the federal government for policy leadership in tackling these issues.[6] Certainly, Toronto's poverty challenges presented a clear opportunity for the federal government to demonstrate its commitment to the social sustainability pillar of the New Deal. However, only one of the three tools – community action research – was applied to Toronto's neighbourhood challenges, despite the strong local interest in more extensive federal engagement involving both social investments and an urban development agreement.

Municipal Revenue Transfers: Deferring Social Investments

Of particular note in the application of the 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 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. These included the Mayor's Homelessness Action Task Force and Report Card on Homelessness, the Toronto Report Card on Children, and the Task Force on Community Access and Equity. With this knowledge base, the Social Development Strategy reported "the gulf between Toronto's haves and have-nots is wide and growing, threatening the quality of life for all residents in the city" (City of Toronto, 2001: 2). It identified three policy priorities requiring action by all orders of government: strengthening community capacity; investing in a comprehensive social infrastructure; and expanding civic

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[6] A particularly interesting example is the Toronto City Summit Alliance, a civic network that engages governments in various ways in its policy projects. Two recent Alliance initiatives demonstrate forms of interscalar policy development. The Strong Neighbourhoods Task Force focused on area-based investments but explicitly connected those to broader social policy through use of a neighbourhood impact test that applies seven criteria to aspatial policies and programs. The strategy is to *bend the mainstream*. As well, the Modernizing Income Security for Working-Age Adults Task Force, organized through St. Christopher House, a multi-service neighbourhood centre in Toronto, used extensive community dialogue to inform a comprehensive redesign proposal for the national income security system. With all levels of government represented in an ex officio capacity the task force was *learning from the local*. For both task forces, see: http://www.torontoalliance.ca/

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 of Toronto established a Social Development Network to increase the effectiveness of community-based social planning and shape an inclusive, equity focused social development agenda. The 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 structure did not encompass social reinvestment. [7]   The FCM has long called for federal investment in social infrastructure to promote integrated solutions to reduce poverty in cities.[8] And 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, while the social dimension was recognized, it was only as part of a possible future inter-governmental agenda.

Not surprisingly, social policy analysts scrutinizing the New Deal have underscored the limits of the gas tax funding 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 as 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).

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[7] The same argument was made by the Social Planning Council of Winnipeg in its analysis of former Mayor Glen Murray's New Deal. See *Connecting the New Deal to Social Development*. Position Paper, December 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".

[8] See, for example, the call for a "National Community Infrastructure and Community Engagement Fund" . *FCM: Policy Statement on Social Economic Development*. Accessed at: http://www.fcm.ca/english/policy/ecodev.html. May 5, 2006; and the discussion of federal funding for urban social infrastructure in Sherri Torjman, "The Social Role of Cities". Presentation to FCM, 2002. Accessed at: http://www.fcm.ca/english/documents/torjman.html. May 5, 2006.

The same concerns were raised by the Canadian Community Economic Development Network in its 2005 pre-budget submission to the House of Commons Finance Committee:

> Recently here in Canada, Gas Tax Agreements with municipalities have been created that involve a requirement for "community sustainability plans" inclusive of social, economic, cultural and environmental conditions. The Agreements also include "community capacity building" as an eligible cost. These aspects of the Cities and Communities Agenda are welcome. However, there is concern that the social side of the infrastructure equation will not be adequately addressed in the face of substantial demands for investment in ageing physical infrastructure (water, sewage, roads, transit etc.) (Canadian CED Network, 2005: 10)

The submission went on to note that the federal government's "community-based initiatives aimed at 'place-based' renewal and poverty reduction are all in the framework of 'pilot projects' within limited time-lines and only in a small number of cities" (Canadian CED Network, 2005: 10).

In sum, 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 to support an ambitious revitalization plan.

Urban Development 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. As one of Canada's first social housing projects, it was designed in the late 1940s as a "garden city" within the larger metropolis (Sewell, 1993). The built form featured a lack of through streets and retail activities, and apartment complexes located in open field settings. This design has long been discredited for creating the "sense, by those who live 'within it', of isolation and disenfranchisement" (Rowe, 2003: 20). In 2003, Toronto City Council authorized its housing corporation, the Toronto Community Housing Corporation (TCHC), to proceed with a major redevelopment. 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).

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.

In undertaking a revitalization on this scale, TCHC officials recognized the importance of including residents and community agencies in a meaningful dialogue (Meagher and Boston, 2003). The initial *Regent Park Revitalization Study*, formulated by experts in urban design, physical planning, financial modeling, and community development served as the basis for an intensive community engagement that saw tenants not only ratify but also modify the plan. The TCHC used the process to strengthen existing community infrastructure and build better relationships with residents. A Community Engagement Team (CET) made specific outreach to the nine groups representing the largest ethno-cultural communities. Residents were hired and trained as Community Animators to ensure access to the broad range of Regent Park voices, and help provide culturally appropriate connections and dialogue opportunities. The final plan incorporated public input in significant design matters such as the street network, the location and functions of green space, and access to community facilities.

A parallel engagement process was undertaken on the social development aspects of the revitalization. In 2002, the Regent Park Resident Council (RPRC) was formed and designated by the TCHC to lead the Social Development Plan.[9] The purpose was to ensure that social services and community infrastructure were appropriately adapted to the physical transformation. With residents, schools, and agencies, the RCPC created a Community Plan based on four priorities: a learning community to include school retention and technology access programs; a working community emphasizing skills development and small enterprise incubation; a healthy community focused on nutrition and illness prevention; and settlement initiatives to address barriers faced by new Canadians. The RPRC has been assisted with funding, expertise, and learning from the Maytree Foundation and the University of Toronto.

In recognition of its social development contribution to the revitalization process, the RCPC was awarded the Ontario Non-Profit Housing Association Tenant Achievement Award in 2003. In her analysis of community infrastructure in Toronto neighbourhoods, Laurel Rothman observes that the "Regent Park Revitalization Plan with its Residents' Council that is involved in decision-making and its twelve-year time frame provides an impressive model centred around building a healthy community through innovative housing redevelopment and inclusive community infrastructure" (Rothman, 2005: 20). However, 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.

Bending the Mainstream?

Here, the TCHC acknowledged the challenges. It called on the provincial and federal governments to provide funding and supportive policy to enable the revitalization to move forward along both the physical and social tracks (Kosny, 2005: 11). Government investments in

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[9]Toronto Community Housing. "Regent Park Social Development Plan -- Project Framework" Accessed at: http://www.regentparkplan.ca/pdfs/socialdev/RP_SDP.pdf March 8 2006.

the range of $50 million for physical infrastructure, community facilities, and social development initiatives have been proposed. And to bridge the "affordability gap" for tenants in purchasing homes, the TCHC sought policy reform from each level of government. Specific proposals include a federal "Home/Save" program to match individual down payment savings, provincial changes to allow Ontario Works and Ontario Disability Support Program recipients to own a home, and from the city, a waiver on development charges, permit fees, and property taxes for first time home owners.

Recognizing the scope of the public investments and policy supports required for full implementation, Toronto Mayor David Miller in January 2005 presented to the Premier of Ontario and the Prime Minister of Canada a proposal for an urban development agreement. Miller made the case for a "Canada-Ontario-Toronto Framework Agreement" with its first project the Regent Park Revitalization (Toronto Staff Report, 2005). A number of policies and programs across the three levels of government were suggested for adaptation and coordination through the Agreement. 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. In its 2001 report *Enough Talk: An Action Plan for the City of Toronto,* the Toronto City Summit Alliance called for a tri-level agreement to support community infrastructure in Toronto's poorest neighbourhoods. In its 2004 analysis of solutions to physical infrastructure problems, TD Bank Financial Group saw significant opportunities in pursuing such an approach. The same year the Intergovernmental Committee for Economic and Labour Force Development in Toronto hosted an urban policy forum to identify opportunities for applying development agreements similar to those in Vancouver and Winnipeg.   In 2005, the Greater Toronto United Way and the City of Toronto's Strong Neighbourhoods Task Force listed as its first recommendation the creation of a five year renewable tri-partite government agreement.

Despite this support for a Toronto urban development agreement, Mayor Miller's proposal remained on the drawing board through 2006. 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 close to finalizing 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.[10] 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. The federal government's reluctance could be explained in two ways: first, the amount of money sought was beyond the typical investments in urban development agreements in Western Canada; and second, the existing urban development agreements had been orchestrated through the federal regional development agency in Western Canada, and there was no such equivalent machinery in place for southern Ontario. In fact, Ottawa's attention shifted to another distressed neighbourhood, with the problems to be addressed through a more modest and much less expensive intervention.

Expert and Action Research: Engaging in Scarborough

As the Regent Park discussions unfolded, in May 2005 the federal government entered the Toronto urban social policy scene with another tool – community action research – in a different neighbourhood, Scarborough Village. The vehicle was the Action for Neighbourhood Change (ANC) a $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 key 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 originated at the National Secretariat on Homelessness (NSH) where officials sought to embed a prevention framework into Canadian housing and homelessness policy (Bulthius 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 crisis of homelessness, it was also apparent that such a program 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). 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. Unlike most

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[10] The Associate Assistant Deputy Minister, Housing and Homelessness, Human Resources and Skills Development Canada told the Standing Senate Committee on National Finance:

> We looked at some of the big projects across the country, such as Regent's Park in Toronto and the downtown east side in Vancouver, and pondered how to mobilize partners to do more than emergency shelters and revitalize neighbourhoods. … That will lead us to a cabinet presentation on issues that document plans around Regent's Park, the outlook there for mixed income approaches rather than stigamatization and "ghettoization". We are now looking at appearing before cabinet committee by September or October, and then after that, the Treasury Board submission will roll out the implementation …

Accessed at: http://www.parl.gc.ca/38/1/parlbus/commbus/senate/Com-e/fina-e/27evb-e.htm?Language=E&Parl=38&S March 12, 2006.

federal horizontal policy initiatives, the ANC consolidated the different funding streams of the participating departments into a common agreement to be managed at the NSH. Pooling funds in this way, ANC designers sought a sense of shared ownership among the participating departments and simplified reporting procedures for the community partners. Similarly with project evaluation, the ANC provides a common framework to streamline accountability requirements for community participants (Torjman, 2006).

Alongside the horizontal collaboration, the ANC reaches down to neighbourhoods 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 is the lead partner, and through its national office coordinates implementation of the entire project. Its local branches in each of the five cities are then responsible for selecting neighbourhoods and convening local actors to participate in revitalization planning. The Tamarack Institute for Community Engagement is the second partner, bringing specialized expertise and considerable experience in community capacity building and collaborative planning. Tamarack has produced a guide for residents and organizations that decide to adopt a "comprehensive community initiative" approach to change. The third partner is 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 engages government departments and community representatives.[11]

Learning from the Local?

The policy dialogue is a notable design feature in the ANC (Torjman, 2005). It provides an institutional mechanism for connecting the local experiments with government decision-making, enabling knowledge transfer across the scales. The ANC policy dialogue has been 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 is the broad social "policy domains that relate to the revitalization of neighbourhoods" (Torjman, 2005: 17). The dialogue is viewed 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 is the "removal of administrative barriers that make it difficult for communities to do their work" (Torjman, 2005: 18). Here the dialogue offers voice to groups working in neighbourhoods to present concerns about the administrative burdens and barriers to effective local change imposed by current government practices. Community and voluntary sector organizations have major concerns about the adequacy, stability, and accountability requirements for funding. Whether the policy dialogue functions as a meaningful local-federal learning channel remains to be seen, but the Caledon Institute's Sheri Torjman

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[11] Among the ANC research papers: Duncan Maclennan, *Remaking Neighbourhood Renewal: Towards Creative Neighbourhood Renewal Policies for Britain*. The Caledon Institute of Social Policy. February 2006; Steve Pomeroy, *Rethinking Neighbourhood Renewal: Review of the US Experience and Possible Lessons for Canada*. The Caledon Institute of Social Policy. February 2006.

notes 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).

In Toronto, implementation of the ANC built on an existing local neighbourhood revitalization process. The foundation was provided through the Strong Neighbourhoods Task Force examining the state of the city's 140 neighbourhoods. In June 2005, it published a strategy for revitalization in Toronto's highest need neighbourhoods. The task force surveyed all of the city's neighbourhoods to identify those that would benefit most from targeted reinvestment. 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" (Strong Neighbourhoods Task Force, 2005: 6).

While the tri-level urban development agreement was the task force's preferred implementation vehicle, the Greater Toronto United Way (GTUW) joined the ANC as the local partner responsible for deciding the pilot site and facilitating local work. From the list of nine priority neighbourhoods, the GTUW selected Scarborough Village, an inner suburb of about 17,000 people with a much higher percentage of immigrants, recent newcomers, and low income families and individuals than the city average. As the GTUW research director stated, Scarborough Village exemplified the growing poverty in Toronto's older suburbs that had been documented in the 2004 *Poverty by Postal Code* report: "It is this combination of factors – a growing low-income population and a lack of services and supports – that is creating communities under stress" (Makhoul, 2005a: 3).

In addition to meeting the criteria for high distress and weak service infrastructure, the GTUW sought a neighbourhood with two other features. First, there needed to be a local agency that could act as an "anchor organization" and focal point for community action. In Scarborough, a neighbourhood centre with a record of service was enthusiastic about the project. Second, there needed to be strong "community receptivity". Four field staff with experience in community development in Toronto neighbourhoods (including the Regent Park Revitalization), and familiarity with Scarborough were hired to manage the local ANC (Toronto Report, 2005). They began by presenting the idea to residents, business and service providers to get their feedback. Interviewing was done to gauge not only whether ANC was desirable, but what purposes it might serve, how it might benefit the neighbourhood, and how it would link with existing networks. According to field staff, feedback indicated that the ANC was a welcome intervention based on "almost universal recognition that existing structures were so threadbare that any additional participation would enhance, not supplant, existing mechanisms" (Toronto Report, 2005: 3).

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). One 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).

Conclusion

This paper has explored recent federal government urban policy departures in relation to issues of spatially concentrated poverty and distressed neighbourhoods in cities. We began by reviewing two different approaches to the problems, 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, we also underscored the possibilities for their coordination and integration in tackling concentrated urban poverty. A key issue is formation of governance structures and learning channels to transfer policy knowledge and good practices across localities, and to influence mainstream policies so that they better serve all vulnerable neighbourhoods and their residents. From this perspective, spatially targeted policy "is 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 are framed by the national objectives of central governments, and the dialogue across the scales facilitates policy learning and change.

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, this potential was not fully realized with respect to the urban problems of poverty and exclusion. Focusing on the Toronto 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 urban social 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 integrate 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 also failed to materialize. The Regent Park process was notable for its deep community engagement, and for its systematic approach to linking the physical, environmental, and social aspects of neighbourhood redevelopment. However, the local housing authority's ability to deliver this package rested on 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. It could be argued that the government was intending, as the Infrastructure and Communities Minister often claimed, to address the social pillar and the neighbourhood poverty over the longer term through instruments such as the Integrated Community Sustainability Plan that was part of the gas tax agreements.

Of course, the January 2006 election put any such plans to rest. Indeed, the Liberal defeat and replacement by the Conservative minority government appears to be shifting the national urban policy landscape. The trend is away from New Deal style activism to a more circumscribed federal role in cities. Four months into the minority Conservative government's life, however, it is fair to say that there are signs of both continuity and change. The government's first budget confirmed the intention to proceed with implementation of the five year gas tax agreements and the GST rebate to municipalities. In addition, the money earmarked for affordable housing and public transit through the 2005 Liberal-NDP budget deal will now be delivered over a three year period through public trust funds. The Conservatives also emphasized more investment in the urban physical infrastructure of roads, bridges, border crossings, and water treatment.[12]

Yet, beyond these initiatives -- most of which follow through on commitments from the previous government -- the Conservatives are moving along a new trajectory. The plan to address the "fiscal imbalance" will transfer money and responsibility back to provincial governments to manage *their* responsibilities, including municipalities and urban social development. Not surprisingly, 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. Rather than tackling urban social problems through mechanisms such as community demonstration projects or tri-level inter-governmental agreements, the Conservative preference is to confine federal participation to modest tax credits or cash allowances for qualifying individuals and families.[13] From this perspective, national undertakings on the scale and scope of the New Deal for Cities and Communities, with their mix of federal tools and local strategies, may be viewed not only as inappropriate federal intrusions into provincial jurisdiction but also as undesirable expressions of social engineering. Among the government's famous five policy lodestars, the one with the most direct urban connection emphasizes law and order and more police presence in cities to stop gun violence.[14] It remains to be seen how such policy priorities and the accompanying inter-

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[12] At the same time, the Conservative child care policy built on a $1,200 childcare allowance breaks with the previous government's effort to embed child care and early learning facilities in a national urban social infrastructure.

[13] Categories for such credits and supplements include child care, transit riding, textbooks, and athletic programs. Commenting on the new government's "circumscribed work plan", one commentator aptly noted that the Harper government "opts for don't-hurt-my-head-solutions to complex social problems". James Travers, "A country whose temperature rises to tepid." *Toronto Star,* May 6, 2006.

[14] As stated in the Conservative election campaign, the five policy priorities are: "Clean up government by passing the Federal Accountability Act; provide real tax relief to working families by cutting the GST; make our streets and communities safer by cracking down on crime; help parents with the cost of raising their children; and work with the provinces to establish a Patient Wait Times Guarantee".

governmental realignment address the multi-faceted problems of distressed neighbourhoods in Canada's largest cities.

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