

# AUSTERITY URBANISM AND THE SOCIAL ECONOMY



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Edited by Carlo Fanelli and Steve Tufts,  
with Jeff Noonan and Jamey Essex

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## Editorial Introduction: Austerity Urbanism and the Social Economy

Carlo Fanelli<sup>1</sup> and Steve Tufts<sup>2</sup>

This issue of *Alternate Routes*, “Austerity Urbanism and the Social Economy,” is particularly timely and relevant. The ‘urban question’ has been with us for some time, but it seems particularly significant at the current conjuncture. We are now, it is argued, in an age of ‘planetary urbanization,’ with ‘the urban’ predominating contemporary economy and society (Brenner 2013). It is not merely an empirical reality that most of the world’s population lives in cities, a ‘statistical artifact’ as Brenner and Schmid (2013) have argued, but that we now exist in a deeper process of urbanization or ‘global urban condition’. The global financial crisis of the last decade launched a prolonged period of austerity that continues to play out in the urban arena. Much needed investments in public transit, affordable housing, aging infrastructure, and social services elude municipalities constrained by low taxation regimes and interurban competition. These urban challenges are beginning to be linked to the broader phenomenon of “permanent austerity,” a condition that precedes but is exacerbated by the 2008 recession. Ever more, cities are the battlegrounds where the struggles against increasingly authoritarian forms of neoliberalism are being waged (Albo and Fanelli 2014; Thomas and Tufts 2016).

Austerity can be defined broadly as government measures taken to reduce public spending, particularly in the areas of social welfare expenditures and public sector employment. In some cases, this also includes new taxes. According to conventional narratives, these measures are taken when a government’s expenditures exceed its revenues, creating

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<sup>1</sup> Carlo Fanelli teaches in the Department of Politics and Public Administration at Ryerson University. He is the author of *Megacity Malaise: Neoliberalism, Public Services and Labour in Toronto* (Fernwood 2016) and co-editor (with Ingo Schmidt) of *Reading Capital Today: Marx After 150 Years* (Pluto 2017).

<sup>2</sup> Steven Tufts is a member of the Department of Geography at York University. He has recently published in *Antipode* and the *Labor Studies Journal*.

debt burdens due to over-borrowing. Seeing the problems of cities as part of this broader shift towards austerity urbanism, however, is valuable because it reveals the larger political and economic drivers of these problems that go beyond more particular issues such as antipathy towards taxes, over-spending or the salaries of municipal workers. “Above all, it is important to recognize” as Jamie Peck (2015: 6) has recently argued, “that enforcing economy is a relational strategy: austerity is ultimately concerned with offloading costs and displacing responsibility; it is about making others pay the price of fiscal retrenchment. In the language of the Occupy movement, it is something that the one percent, which continues to accumulate wealth and power at an alarming rate, does to the 99 percent.”

Of course, manifestations of austerity urbanism vary across diverse contexts. Austerity urbanism can be understood as an uneven form of urban social organization that lacks both luxuries and basic comforts for people. As an approach to public policy, austerity urbanism has included tax-shifting for competitiveness, reductions to social services provisioning, contracting-out and privatization of city assets, new forms of marketization such as the use of public-private partnerships, and a shift away from universality to user-fees. New workplace arrangements have also proliferated, including the use of part-time and short-term contracts, as well as casual and seasonal forms of employment. In some cases, this has also incorporated new restrictions on workers’ rights to unionize and bargain collectively. Reductions to employee compensation have also been a stated aim of municipal austerity (Fanelli 2016). In this regard, the state has at times imposed austerity from above or led the charge from below, and at other times created the conditions for capital to lead in an assault against urban social life.

Austerity urbanism is not a universal form, but rather a process of struggle with a diverse set of stories and practices. It is the unevenness across urban space that creates openings and possibilities for the future. This politically imposed condition is being actively resisted across a

diverse range of social actors. This includes struggles against homelessness, fights for living wages, and experiments with new forms of governance all (re)producing the urban.<sup>3</sup> What is central is developing an acute understanding of how austerity urbanism is implicated in strategies and tactics that can build a better world.

Some of these strategies directly confront the logic and ideology of austerity urbanism. But others more closely reflect the context in which they operate. The ‘social economy’, the so-called ‘third’ or voluntary sector of the economy located between the public and private spheres is crucial to the functioning of neoliberal capitalism. As these institutions confront austerity urbanism, they themselves are being transformed – often in alignment with neoliberal practices. This issue addresses, through a number of articles and interventions, the links between austerity urbanism and the social economy. While the analyses provide no absolute paths to a more just world, there is enough evidence and understanding of the current conjuncture to demonstrate that alternatives are indeed necessary.

Sophia Lowe, Ted Richmond and John Shields argue that in the case of immigrant settlement agencies (ISAs) the current era is an extension of the “permanent austerity” that faced such services since the 1980s. The new model for such services limits advocacy and autonomy, while integrating market driven, new public management ‘best practices’. The next contribution by Debbie Rudman and collaborators demonstrates how new public management has reconfigured nonprofit employment services agencies in ways that constrain and/or contradict the goals of reducing long-term unemployment. These pressures have reconfigured the relationships between service providers, unemployed persons and state funders, as well as increased the pace of work leading to heightened workplace insecurity.

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<sup>3</sup> Many of these issues are addressed in fuller detail in the 2016 *Alternate Routes* special issue, “Precarious Work and the Struggle for Living Wages,” co-edited by Carlo Fanelli and John Shields.

While transformations in the social economy do reflect the latest phase of neoliberalism, there is resistance. Bryan Evans reviews the struggles of living wage movements in Canada and the United States as an emergent post-industrial working class response to precarity in cities at a time when traditional unionism has failed many workers. Laura Pin's examination of participatory budgeting, a much lauded alternative to neoliberal urban fiscal policy, finds that such experiments are themselves limited in their capacity to challenge elite municipal powerbrokers. In what follows, Jeff Noonan and Josie Watson critically engage with anti-homelessness movements that frame 'housing as a right' as opposed to 'housing as a human need'. Together these contributions demonstrate that resistance to austerity urbanism takes many forms, yet remains an incomplete project.

A number of *Interventions* further address austerity urbanism and its uneven social dislocations. Pierre Hamel and Grégoire Autin examine how austerity as ideology operates as a necessary collaboration with different levels of government to constrain the autonomy of municipalities. Roger Keil details with great insight the regime of Toronto's John Tory as a form of progressive urbanism that aligns with an elite conservatism under conditions of austerity. Toronto remains the focus of discussion as Douglas Young examines the debates involving residential tower renewal in the 'in-between city' as a possible challenge to austerity urbanism.

A series of interventions then shift to the US. Otrude Moyo recounts the Flint, Michigan water crisis and situates the tragedy in the broader context of a racialized, neoliberal urbanism that has reproduced white supremacy through urban policy. Related, Carolyn Gallaher examines policy efforts to mitigate gentrification in Washington, DC through an examination of a tenant 'right-to-buy' program which is a complex assemblage of austerity urbanism and social justice efforts. The final intervention from the US is from Kafui Attoh, Don Mitchell and Lynn A. Staeheli, who look at the role of the university in the city. Here, the final intervention provides a hint of optimism in an era where post-

secondary institutions are viewed with increasing cynicism. Universities, as spaces of engagement, can provide a place for students and community to come together in the city and resist austerity urbanism.<sup>4</sup>

We would like to thank all our contributors to this issue. We would also like to gratefully acknowledge the invaluable contributions of external reviewers who lent their time, energy and expertise in providing feedback on articles. Thanks are also due to Jeff Noonan who was joined by Jamey Essex this year as co-editors of the *Interventions* section. Moving into 2017, all book reviews will now be available online at [www.alternateroutes.ca](http://www.alternateroutes.ca) on a rolling basis. Many of these papers were presented at the *Alternate Routes* conference, “Sub/Urbanizing Austerity: Impacts and Alternatives,” hosted by York University’s *City Institute* in March 2016.<sup>5</sup> We thank both the institute and the university for sponsoring the conference and assisting with the publication of this issue.

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<sup>4</sup> See also, the broad range of contributions in the 2015 *Alternate Routes* special issue, “Neoliberalism and the Degradation of Education,” co-edited by Carlo Fanelli and Bryan Evans.

<sup>5</sup> Video presentations from this and past conferences are available online at the *Alternate Routes* website, <http://www.alternateroutes.ca/index.php/ar/pages/view/Video>

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# Articles

## **Settling on Austerity: ISAs, Immigrant Communities and Neoliberal Restructuring**

Sophia Lowe,<sup>1</sup> Ted Richmond<sup>2</sup> and John Shields<sup>3</sup>

**ABSTRACT:** Immigrant Serving Agencies (ISAs) have long been at the centre of the settlement and integration of newcomer populations in Canada. They provide a community-based approach to settlement through nonprofit organizations rooted in the communities they serve, a workforce and volunteers drawn largely from immigrant populations, and a value system and voice reflective of the client base. This has been critical to fostering the ‘warmth of the welcome’ for newcomers that has made Canadian immigrant integration so successful in an internationally comparative context. This system however is under increasing challenge from austerity and neoliberal restructuring. The pressures include funding cutbacks, loss of ISA autonomy, and a general destabilization of nonprofit service provider organizations. This paper examines the impact of the challenges of government austerity and neoliberal policy for the ISAs and immigrant communities, and considers the prospects for restoring the leadership role of ISAs in providing successful integration through appropriate settlement services.

**KEYWORDS:** Settlement Services; Immigrants; Neoliberalism; Nonprofits; Permanent Austerity; Advocacy

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<sup>1</sup> Sophia Lowe has been working for over a decade in the immigration and settlement sector in areas related to migrant rights, international credential recognition, and the social and economic inclusion of immigrants.

<sup>2</sup> Ted Richmond currently works as an Instructor with the Chang School at Ryerson University, and as a consultant to the nonprofit sector in Toronto. His professional background includes the academic, research, private foundation, and nonprofit sectors.

<sup>3</sup> John Shields is a Professor in the Department of Politics and Public Administration at Ryerson University. His research and publications have focused more recently on immigration policy and the political economy of the nonprofit sector.

## Introduction

This paper examines the state of immigrant settlement services delivered by nonprofit providers in the current period of government imposed austerity. Social supports to immigrant newcomers to assist in the settlement process offered through locally based, but government funded nonprofit immigrant serving agencies (ISAs), have formed the core of the Canadian model of immigrant reception and integration fostering a more welcoming setting for new arrivals. This is a model that has been regarded as a ‘best practice’ approach to newcomer settlement harnessing the place-based human resources of nonprofit agencies rooted in the communities where immigrants settle and enabled by the funding support of higher tiered governments (Richmond and Shields 2005). Immigrant settlement supports have come to form an important component of the Canadian welfare state which is noteworthy given the continued importance that annual recruitment of large numbers of immigrant settlers play in the country’s economic and social development. Canada’s active support for immigrant settlement stands in marked contrast to its southern neighbor which has long embraced a hands-off *laissez-faire* approach to newcomer settlement (Shields and Bauder 2016). On the larger international scale Canada remains a leader in settlement programing and the country most identified for positive settlement practices (Shields et.al 2016).

Settlement services cover a broad range of activities required by immigrants in the often challenging settlement process, including basic orientation to Canadian society services, language training, labour market access supports, housing assistance and other specialized programs centered on immigrant needs. These services are important for “supporting immigrants to make the smooth transitions necessary to be able to more fully participate in the economy and society” (Shields, et.al, 2016: 4) including the achievement of full citizenship. Hence, settlement supports are more encompassing than just those suited to meet the immediate short-term needs of newcomers but also embrace supports directed at serving longer-term integration goals.

Additionally, the Canadian approach to settlement is characterized as two-way-street between immigrants and Canadian society (Tolley 2011), where each adjusts and changes in a dialectal process of integration and accommodation. These adjustments in practice, however, take place far more on the newcomer end than that of the host society. Still it is more than just symbolically significant that the approach to settlement is not an assimilationist dialogue. The multicultural foundations of modern Canadian society and citizenship are an important part of this more cosmopolitan understanding of immigration which stands in contrast to the narrower American melting pot which suggests an assimilation of immigrant cultures into a single American identity (Shields and Bauder 2015: 18-19). The Canadian model of immigrant settlement does, however, require a more engaged state, financially and legislatively, supporting settlement programming and providing public policies like multiculturalism and anti-racism initiatives to promote diversity, openness and inclusion.

It should be noted that support from family, friends and other private means is still the dominant source of 'informal' settlement support for immigrant newcomers in Canada. However, 'formal' settlement supports by governments in Canada are substantive and important both materially and symbolically. Significantly, the Federal Government, the largest state funder, spends close to \$1 billion on settlement programming (Levitz 2015). As well, the state's material commitment to settlement sends a message of official welcome and inclusion to immigrant newcomers. The diminishing of state supports for settlement, both quantitatively and qualitatively, is negatively felt by immigrants.

Our understanding of the current state of settlement service supports in Canada is, however, limited. A previously widely cited study of ISAs and state restructuring by Richmond and Shields (2004b) is more than ten years old and predates the official adoption of an austerity agenda embraced by Canadian governments in the wake of the 2008 financial crisis (Laforest 2013). In Canada, moreover, the last decade has

seen major changes to immigration policies and regulations pushed aggressively forward by an ideologically driven Conservative government (Root, et.al 2015) which held office in Ottawa until recently. These changes have largely been documented and often subject to critical analysis (Alboim and Cohl 2012; Barrass & Shields 2015; Choudry and Smith 2016; Forier and Dufour 2016; Zhu 2016), but in the current period there has been relatively little attention paid to the impact of such changes on ISAs.

### **Approach**

We seek to address this gap through a critical review of the literature on immigrant settlement in Canada and by placing the current period in the context of past developments. As such we are able to document both continuity as well as change in the settlement service sector. More substantively we employ the findings from key informant qualitative interviews with Ontario-based experts<sup>4</sup> who have been working in various capacities in the field, including those from ISAs. These were conducted to help uncover current conditions, experiences and policy trends impacting ISAs and immigrant settlement. Some dozen in depth semi-structured interviews were conducted for this paper, lasting up to an hour in length. We asked about experiences, insights and observations on how the sector has changed, what impact this has had and how agencies and other players have responded. While all the persons interviewed were asked the same general questions, the interview process was loosely structured, to provide opportunities for dialogue and expression of concerns outside of our initial framework. For purposes of confidentiality the identities of those interviewed have been kept anonymous and thus the interview content is identified in general terms only. Detailed notes were taken during the interviews and important information and developments were documented and major themes that

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<sup>4</sup> This component of the research was undertaken by the community-based researchers Sophia Lowe and Ted Richmond. They followed standard ethics based interview protocols and obtained interview consent from all participants.

emerged identified. We were able to substantiate the findings from these interviews by checking them against interview material from a number of other studies which probed individuals involved with the immigrant settlement sector which also covered other parts of English Canada.<sup>5</sup> What we uncovered in our interviews very closely paralleled perspectives from these other studies giving us confidence in our findings and their general applicability within English Canada. The interviews also offer some new details and perspectives on trends and developments identified in the literature. The interview voices and specific experiences and observations are, of course, based out of the Greater Toronto Area and Ontario.<sup>6</sup>

In addition, the community-based research team members, Lowe and Richmond, have extensive work histories related to the settlement sector in various capacities. Their experiences and insights, in effect, as participant observers, contributed much to a grounded understanding and analysis of the state of the settlement sector. In this paper we provide an assessment on ISAs and the immigrant settlement sector based on these insights, the literature and a detailed report on our interview findings.

### **Austerity and Settlement Services: Neoliberal Restructuring of Social and Human Supports**

The austerity agenda has targeted social sources of government spending for deep cuts. Senior levels of government have made use of the

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<sup>5</sup> John Shields over the past years has been engaged in a number of SSHRC funded collaborative research projects that have been examining nonprofit service provision including settlement services. In all, over 100 individuals involved with the immigrant settlement sector in English Canada were interviewed or engaged as part of focus groups. The insights expressed in these encounters were consistent with the broad themes, experiences and sentiments identified in our set of key informant interviews.

<sup>6</sup> Quebec's system of settlement support differs from the other provinces as the Federal Government provides Quebec with special funding for it to establish and run its own settlement and immigrant recruitment programs that are specifically centred on the Quebec francophone reality.

local, as made evident in the case of the UK's Big Society initiative (Szreter and Ishkanian 2012), to carry forth their downsizing pro-market neoliberal program. Nonprofit service delivery organizations are the quintessential community-based human service bodies. They primarily arise out of, are largely staffed by, and are based within the local communities they serve both geographically and in regards to population groups. Significantly, austerity bent governments see cuts and restructuring of supports to these organizations as less publicly visible and as being easily absorbed through the use of more voluntary sources of labour and internal efficiencies – 'doing more with less' – to make up for lost government revenues (Baines et.al 2015). The retreat from government sources of support, according to neoliberal logic, will free up the space and energies of local philanthropic interests and volunteers which have been displaced by 'excessive' government involvement in social provision.

The reality is that austerity, although undertaken under different labels, is nothing new to the settlement sector; it has faced, in large measure, a state of 'permanent austerity' and neoliberal restructuring since the end of the 1980s. The restructuring of social provision has occurred under the direction of New Public Management (NPM). NPM has served as a transmission belt used to impose neoliberal governance and practice models into the nonprofit service sector (Evans and Shields 1998; Evans, Richmond and Shields 2005).

While greater detail regarding the neoliberal restructuring of nonprofit service provision can be found in Richmond and Shields (2004b) and Shields and Evans (1998) the essence of the process has involved:

- Services and care previously provided by the state being increasingly downloaded onto local government, non-profit providers, communities and families. This process is referred to as "responsibilization" as the state relinquishes many of its duties shifting the responsibility increasingly onto individuals and other bodies (Kelly and Caputo 2011: 11).

- A hollowing out of the welfare state, as the shell of many social programs and policy remain, but their scope and reach is greatly diminished (Jessop 2014). This hollowing is accompanied with appeals to ‘community’ and the values of charity and volunteering to pick up the slack left by a retreating state. While welfare provision has long involved a mixed social economy where state, market, nonprofits and family have shared responsibilities for social provision, under neoliberalism there has been a dramatic shift away from state responsibility toward other actors (Valverde 1995).

- Increased use of Alternate Service Delivery (ASD) involving reduced services, restricted access and nonprofit delivery agents as key elements in the implementation of neoliberalism. Even where the state still provides funding for services this is now to be largely delivered by third party actors, and in particular ‘cheap’ nonprofit service providers. Costs are more easily controlled in such provision, especially with reduced labour expenses and with the ability of the state to rather invisibly cut supports given the distance between and ‘invisibility’ of the funding for and delivery of services in such arrangements (Baines et.al 2014).

- NPM commands the adoption of ‘business models’, ‘lean production’ and a narrow focus on ‘efficiency’ by delivery agencies to receive state funding for services. This promotes one size fits all approaches to delivery that favours measurable quantity over quality, and rigidity over flexibility in the way services are provided (Cunningham and James 2011). Larger multi-service agencies are better positioned to compete in such an environment over smaller and ethno-specific ISAs.

- Funding of ASD, moreover, moves away from longer term more flexible block grants to short-term, competitively-based program financing tied to narrow and strict audit-oriented accountability mechanisms. This works to tie the hands of organizations who must adhere to controlling funding rules that only narrowly support programs and not the organizations who deliver them, and results in time consuming and costly reporting procedures (Eakin 2007).

- The end result is a marketized model of *thinned out* and *leaned out* services and a system that does not constitute a true partnership between the state and non-profit service providers but a relationship that is dominated by the funder. In this model the state is able to control non-profit delivers at a distance through their funding and accountability arrangements, a process Shields and Evans have termed ‘centralized decentralization’ (1998: 13).

- There is a greatly diminished place for advocacy by non-profit providers. In the past community-based non-profit agencies were seen, and even encouraged, to be the voices of more marginalized groups they served. Often nonprofits were even provided with funding by the state to engage in an inclusionary advocacy role (Evans, Richmond and Shields 2005). However, under NPM advocacy has come to be viewed very negatively and nonprofits are reduced to purely client service role. In fact, the funding model has come to produce a strong ‘advocacy chill’ in the non-profit sector, one particularly felt by ISAs under Harper (Evans and Shields 2014).

- A system where nonprofit provider accountability to the funder comes to trump all other forms of accountability. One of the unique features of the non-profit sector is that its organizations have multiple accountabilities – to the communities they serve, their governance boards; to members, staff and volunteers; to the general public; and to funders. But under NPM accountability is overwhelmingly directed one way, upward to funders (Richmond and Shields 2004a).

- The delivery of settlement services through non-profit bodies, of course, pre-dates NPM.

What changed with NPM for ISAs is reduced autonomy for providers, the tight control of programming by the state, a narrowed role in society, and funding instability (Evans, Richmond and Shields 2005).

As will be brought to light through our key informants, this model of state funding and control has had some very negative impacts on ISAs’ ability to serve the immigrant community. It must be noted that the process and impact of NPM/neoliberal structuring has been uneven. The

points identified above are consistent with the longer term trends in transformation of state-nonprofit service provision (Almog-Bar and Young 2016). But as a political project neoliberalism has taken time to implement, encountered practical and political opposition which at times has slowed and even set back the direction of change as evidenced in the push back against neoliberal directions in policy in the wake of the Harper Government's defeat.

### **The Changing Landscape of Immigration and Migration Policy in Canada**

The past number of decades witnessed changes in a neoliberal direction to immigration policy emphasizing greater economic class immigration focused on high human capital, stronger border control and security measures, and restraint in settlement funding (Shields 2004). However, it is the past decade that has seen a dizzying pace of change in Canadian immigration rules and public policy. This situation is well captured by Alboim and Cohl (2012):

“The pace and scope of change in Canada’s immigration system in recent years leaves one breathless. From 2008 to July 1, 2012, the federal government has made changes to every aspect of immigration policy, including the way in which reform is undertaken, and more changes are proposed. While some of the recent changes are positive, many are problematic.”

The changes implemented under the Harper Government constituted a major departure from the past breaking the all-party consensus which had existed around the direction of immigration policy (Barrass and Shields 2015; Dorbrowsky 2012). In brief, immigration policy has been reshaped to:

- Align more closely to neoliberal and austerity policy directions;
- Make immigrants and their families more responsible for their own settlement and immigration, thus reducing the state’s commitment to settlement supports;

- Focus very heavily on the immediate narrow economic benefits of immigration;
- Restrict family unification and reduce refugee intake in favour of economic class immigrants;
- Greatly increase the use of vulnerable temporary foreign workers to ‘flexibly’ fill the labour ‘needs’ of employers;
- Devolve settlement service responsibilities to sub-national organizations and nonprofit providers;
- Restructure national welfare states to reduce services and restrict newcomer access to such supports;
- Tighten the rules around immigration access;
- Promote and implement racialized restrictions, directed primarily at Muslims, in the name of security; and
- Promote the notion of so-called ‘good’ vs ‘bad’ immigrants as a basis for justifying funding cuts for immigrant support and the greater restrictions on who gets in (Barrass and Shields 2015; Lo et.al 2015; Anderson 2013, 2014; Arat-Koc 1999, 2012; Marwah et.al 2013; Alboin and Cohl 2012; Dobrowolsky 2012; Shapaizman 2010).

In this austere political climate the so-called ‘warmth of the immigrant welcome’ that Canada had become so well known for (Reitz 1999) has definitely cooled.

With the election of the Liberal Government in Ottawa in late 2015 there has been a turn away from the more extreme changes of the Harper era, restoring a more balanced approach to immigration recruitment and greater supports for newcomers, especially refugees. In this regard the non-linear trajectory of immigrant settlement policy is revealed. The Liberal Party, it is important to note, did run in the election on an anti-austerity platform; it spoke instead of the need for public investments (O’Toole 2015). They also promoted the idea of evidence-based approaches to policy determination turning away from Harper’s more ideological approach to policymaking (Griffith 2013). The restoration of the mandatory Census is one prominent manifestation of

this. On the issue of immigration and security, however, the Liberals, as manifested in Bill C-51, have retained the bulk of Harper's strict securitization measures (Mia 2016). While it will take some time before the full direction of the Liberal Government's immigration policy is revealed, at this point it is fair to say that it constitutes something of a mixed outcome representative of modest progressive change as well as measures of continuity with the Harper period. Given the timing of our interviews they are more reflective of the impacts on the settlement sector during the Harper period.

Our key informant interviews indicate that many of the changes to immigration policy and programming under the Conservatives coincided with changes in the labour market, resulting in more competition for increasingly precarious employment amongst newcomers (See: Lewchuck 2015; and Gottfried, et.al 2016). Despite these changes our informants tell us that there is still an overall expectation on the part of government funders that immigrants will settle quickly and into good jobs, even with a sluggish economy and labour market.

Respondents recognized that since the 1990s, immigration policy shifted from thinking of immigrants as citizens with families, to thinking of immigrants as workers – economic units, and this was particularly pronounced in the Harper period. As a result, most immigrant-serving agencies shifted their language and culture of how they work with immigrants – for example, they began calling them clients and began focusing on narrow measurable economic outcomes of success as demanded by funders as part of reporting requirements.

According to respondents, the focus on economic immigration became more pronounced under the Harper government, with a move towards increasing numbers of migrants in Canada on a temporary basis – Temporary Foreign Workers and International Students (Hannan et.al 2016; Lowe 2010). These policy changes, coupled with tightening restrictions and regulations for immigrants and their families, took place relatively quickly and created burdens not only for newcomers but also for settlement agencies. Staff struggled to serve a growing population of

migrants who are ineligible for many services and have varying and unique needs. Services for different immigrant groups, including specialized and knowledgeable employment support for highly skilled immigrants, can be difficult to find and programs are located across a variety of agencies. This makes providing the kind of wrap-around services that agencies tend to support challenging. As well, it has been very difficult to keep up with the required knowledge of all the regulatory changes and rules in order to advise migrants appropriately. And ISAs, in the spirit of austerity, have been compelled to address these increased and more complex needs to settle immigrants in their local communities in a greatly restricted funding environment.

Respondents noted that more recent changes to immigration policy not only have favoured economic immigrants, but also have changed the mix of economic immigrants. For example, new policies increased official language requirements to come to Canada and introduced the Express Entry system promoting employer directed recruitment. Some informants noted that these changes have negatively impacted the diversity of Canada's immigration program. Others emphasized that the underlying presumption in all these changes is that migrants should be successful, without requiring as much settlement service support. This has contributed to devaluing and underfunding the entire settlement sector. In addition, some respondents noted that the ever-present challenge of marketing settlement services and their relevance to immigrants are more pronounced. One person noted that "immigrants [are] not seeing immigrant serving agencies as valuable and want to go to mainstream organizations."

### **The State-ISA Funding Regime**

Funding for community-based settlement services is limited and unstable, and this is widely acknowledged by our key informants. This is highly problematic for ISAs given their heavy dependence on government funding, which constitutes 85% or more of their budgets (Eakin 2007, Baines et.al 2014). The move away from core funding over

the last decades to short-term project-funding from all funders has created additional instability and competition across the sector. The general pattern over the past decades has been funding restraint. In Ontario substantive cuts to settlement goes back at least to the mid-1990s under the Harris Government, including its closure of immigrant Welcome Houses and removing funding for newcomer children's programs (Omidvar and Richmond 2003; Zhu 2016: 145). The sector has never enjoyed the benefits of stable and consistent funding. But not only has the sector been chronically underfunded; periodically, a considerable amount of money has been injected into the sector, but without a long term vision or plan.

In 2006, the Canada-Ontario Immigration Act (COIA) negotiated between Liberal Governments in Ottawa and Ontario contributed to a substantial initial investment in the overall Ontario settlement sector where the majority of newcomers arrived. Many agencies grew their staffing and programming in response to more funding. However, one respondent noted that this funding was like building the sector out of a "house of cards" – there was little structural funding or planning to withstand a withdrawal of these funds later on. At the end of the COIA agreement under the Conservative Harper Government, there were massive cuts to agencies in the sector. While "the settlement sector did what it could" in these circumstances, many respondents noted that it never fully recovered from the post-COIA claw backs. One respondent noted that the sector "expanded everything, and then it was all cut."

COIA funding inundated the sector with new opportunities. Agencies hired people, grew programs and services, opened up new centres and small ethno-specific spaces were boosted. Through COIA, three times more funding was pushed into the sector in Ontario. This allowed additional programs and collaborations like Job Search

Workshop (JSW), HOST program<sup>7</sup> and Language Instruction for Newcomers to Canada (LINC) to expand. Further, agencies grew their human resources role and their capacity to offer solid employment, which attracted skilled workers and emphasized professionalism. COIA was also a milestone in terms of collaboration, with formal tripartite agreements involving the three orders of government (federal-provincial-city). Respondents noted that COIA allowed the government and sector to “collaborate and design something systematically – not just react.” Regions were looking at service delivery based on landings data and areas with fewer services and this period saw the launch of the tripartite welcome centre hub model.

According to one respondent, when COIA ended, settlement services in Ontario lost approximately \$200 million. This impacted all aspects of service delivery and the capacity of agencies to do the work they had grown over the COIA funding period. Further, the strong partnerships built between the three levels of government were not maintained. Instead, according to respondents, squabbles over the end of the agreement and funding resulted in further strained relations. Following the end of COIA, many agencies were forced to lay off staff, salaries were flat-lined, services and programs were closed or limited, and some agencies were pushed to shut down. Respondents shared that employment across the settlement sector became more precarious, with increases in the instances of part-time, contract and seasonal employment.

Since the end of COIA, the sector as a whole has not experienced growth. Financial accountability became CICs most important marker of

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<sup>7</sup> The Host program is aimed at assisting immigrant newcomers to better meet the challenges of moving to a new country. The program focuses on using Canadian volunteers to help immigrants learn about available services, practice English and French language, develop work related contacts and to engage in their community (Canadian Newcomer Magazine 2016).

agency success, moving ever-further from examining service impact. Some agencies continued to grow and expand services, but these are largely multi-service agencies and those relying on a more diverse revenue streams. Smaller agencies, organizations and programs that rely on federal funding continued to be heavily impacted by a lack of resources. Additional federal cuts continued during the final years of the Harper government. These impacted a number of collaborative programs, capacity-building work, and smaller agencies – largely in the Greater Toronto Area (GTA). The HOST program and the JSW program were closed, as well as 13 agencies in the GTA. For other agencies, staff and programs were lost and many agencies incurred huge deficits, as CIC refused to pay for any severance for laid off employees. Program enhancements that were gained after years of advocacy were lost during the Harper years, such as summer language instruction programming and a significant reduction in child care services for newcomer program users.

In addition, there were further “nickel and dime” cutbacks that impacted agencies and the people they supported. These included restrictions to paying for any food or public transit tickets for clients, and further cuts to child-minding services and staff salaries. Additional budgetary restrictions and inflexibility were introduced. Surplus funding was clawed back, while deficits were absorbed by agencies. According to some respondents, these types of changes pushed some agencies to micromanage their budgets and carry significant debts over time. It is clear that ISAs have felt the full impact of neoliberal/austerity agenda, pushed to ‘do more with ever less’. Strict contract conditions and rigid accountability requirements work to limit client eligibility and greatly restrict what ISAs are able to spend on.

### **Accountability**

Respondents highlighted that strict contract conditions and funder accountability requirements have increased, without additional funding to support this work. This includes rigid accounting for all funds

used, how they are used and additional data and reporting on impact. Even the Federal Government's own Independent Blue Ribbon Panel on Grants and Contributions that looked at nonprofit accountability identified the system as dysfunctional, over burdensome and counter-productive for producing a rational and effective system of service delivery (Shields 2014: 271). During the Harper period the accountability burden increased. According to respondents, it used to be that reporting on how funds were used, as well as the relationship with funding officers, was more dynamic and responsive to needs within the community and for the agency. Now, as noted by all respondents, data collection and reporting to IRCC (then CIC) is very burdensome.

As one respondent put it, "accountability is always to the funder, not to the newcomer communities." This was identified as one of the most significant challenges for agencies, as IRCC funds the biggest portion of the settlement sector, but is considered the most disconnected from what is needed and what is going on. Further, there are no common indicators of success in settlement because success is defined differently across the sector (e.g., keeping doors open to all newcomers versus growing services and programs). One is responsive and accountable to funders; the other is responsive to community needs and sets the agenda.

Some respondents warned that without defining the value and impact of the sector as a whole, the sector would continue to be divided, and demonstrating the sector's impact to funders and the population at large would continue to be a challenge. One respondent said that the sector needs a strategic plan. Without this, there may continue to be competition, rather than collaboration, with smaller agencies and many important services being lost. Measuring impact in social services is a challenge (Cooper and Shumate 2016: 41-42). In a short-term project funding environment, planning, evaluation and measuring outcomes and impact are even more challenging for agencies. Coupled with limited funding, the higher demand to prove impact and value of programs is nearly impossible for organizations whose capacity, resources and experience are already compromised. Despite this, funders require

greater data on outcomes. According to many respondents, this is about creating and justifying further “efficiencies” in the system. For some services, such as employment, the focus on outcomes and outputs can drive the people served into precarious employment. In these instances, targets may be met for the agencies, but the achievement of good jobs, where skills and experience are used, is no longer the focus.

Respondents noted that the reporting burden – even for small grants – is significant. Funders expect more with less – and demand that it be measurable success and impact. Many organizations are dedicating significant resources to accessing grants and reporting to funders. This, according to many respondents, ties up limited resources that could be used to run programs and to serve people directly. Despite agreement that accountability and efficiency in service-delivery is important in the sector, respondents believe that the way organizations are held accountable is too burdensome and detracts from the value of their services. Accountability has been lifted off the government and put on agencies. Site visits and other mechanisms for funders to collect data and information about services are no longer common practice. Instead, agencies are required to prove everything that they do and report on it, with limited government or funder interface and knowledge of programming.

Changing accountability structures and greater dislocation between government funders and service agencies also further removes governments from on-the-ground issues and what matters in communities. This can have a profound impact on program and policy development, and lead to disjointed and illogical service delivery. A good example of this is funders requiring that all immigrant children accessing services through a program run in the Toronto District School Board (TDSB) have permanent resident cards, directly contradicting the Toronto Access policy that the TDSB signed onto. Proper accountability and the ability to evaluate programs requires good will on the part of funders and non-profit agencies, dedicated resources, available expertise and meaningful dialogue. These are elements that are largely missing in

the current funding and accountability regime which is overly interested in hierarchical control and austere delivery of services.

### **Competition and Collaboration**

The current funding system in the settlement sector creates poor conditions for collaboration and capacity-building. According to respondents, there is greater competition amongst agencies, for an ever-smaller funding pot. One person noted that funders have a “divide and conquer” mentality and approach. For agencies, it is “quite tricky to build partnerships in this context.” Some noted that, in sub-sectors of the settlement sector, such as employment and refugee resettlement, there is less competition and better collaboration. This may be in part due to the interest and focus of government in these areas. There used to be funding for leadership development in the sector, as well support for professional development and capacity-building in the sector (Türegün 2016). With funders focused on programs and direct-services, the “soft-supports” such as coordination, collaboration, training and professional development struggle to get funding, despite their importance to build and sustain a strong sector and to offer coordinated services. Increasing competition for limited resources has contributed to the difficulty the sector has in coordinating, collaborating, sharing a common vision and fighting back together. Some organizations are struggling to “do it all” and better coordination would help achieve a common end-goal of supporting immigrants and refugees to successfully settle and succeed. Respondents said that they “can’t serve all immigrants and refugees” and that better collaboration and partnership is necessary.

### **Marginalizing the Sector**

Respondents believe that limited resources and uncertain funding have created increasingly precarious labour conditions within the settlement sector. Precarity concerns the lack of security and/or predictability, fostering vulnerability, instability, marginality and temporariness (Baines et.al 2014). Under-funding and lack of long-term

funding stability mean: employment insecurity; increased workloads (doing “more with less”); lack of promotion ladders; lower wages and minimal benefits; growth of unpaid and underpaid labour. Continual threats of defunding make ongoing settlement service operations ‘permanently temporary’. As well an employment structure of ‘permanent temporariness’ becomes embedded into the DNA of the sector (Cunningham et.al 2016; Shields 2014). Speaking in terms of funding and government support, one respondent highlighted that “organizations that serve marginalized groups are themselves marginalized.” Within the settlement sector, a number of respondents noted that the staff composition is largely immigrant- and female-dominated, and that agencies are not afforded the same support as other sub-sectors in the nonprofit community service sector. That many workers in the settlement sector are themselves immigrants from the very communities they service is an important link helping to keep ISAs close to immigrant clients. But it is also reflective of the problem faced by so many immigrant newcomers in that they become employed in lower waged and precarious employment (Gottfried et.al 2016; Preston 2010) a factor that marks ISA employment patterns (Baines et.al. 2014).

Despite this reality, respondents noted that there are greater demands for professionalization, but without adequate salaries or professional development opportunities within the sector (Türegün 2016). All respondents noted that there has been a significant reduction in funding available for professional development, networking and collaboration – for agencies, their staff and for umbrella groups. Noting the challenges of attracting and retaining good staff, one respondent noted that “the sector is not valuing critical roles,” largely as they cannot offer decent employment. Not all organizations are facing the same challenges. Larger, multi-service agencies or organizations with a diversity of revenue streams become organizations that can attract and retain the most talent, as they are better positioned to offer decent work conditions including pay, benefits and a measure of job security. For smaller organizations that are reliant on single-source government

funding, challenges with staff are often overwhelming. Funders are requiring additional competencies (such as multiple languages of communication), which results in organizations dividing one stable role into multiple part-time contracts. Respondents also noted a reduction in funding for summer LINC programs, limiting the availability of year-round employment. These circumstances lead to difficulties with filling positions and retaining qualified staff.

In cases where programs are cut and agencies are losing funding, there are direct job losses. In addition, some funders have refused to pay severance. This leaves organizations with legal obligations to pay severance, which incur greater debts. In these circumstances, any longer-term planning for agencies, including staffing, is close to impossible. Most funding is limited to three years and there have been significant cuts across the sector. The pressures on ISAs threaten their long-term viability and the well-being of the communities they serve. The ‘best value for the dollar’ approach of NPM creates a ‘race to the bottom’ for nonprofit agencies threatening their ability to deliver quality services and to survive as organizations (Cunningham and James 2011). As the social safety net erodes, marginalized populations turn to community service providers including ISAs for support – but the capacity to respond has been seriously eroded.

### **Diversity and Commitment of the Sector**

When asked about the greatest assets of the settlement sector, respondents shared that an engaged, passionate and committed workforce, as well as diversity within the sector itself are its greatest assets. People working in the sector feel that their work is “more than a job,” and shared that they love what they do. Many staff working in the settlement sector are themselves immigrants, which helps to keep services relevant to the communities they serve and supports strong linguistically- and culturally-relevant service delivery. Of course, the deep commitment to caring on the part of the sector’s workers is a double edged sword as it also becomes a force to bind them to their duties even

under exploitative conditions (Baines et.al 2014). Respondents also believe that the sector is nimble and flexible – and that organizations remain mission-driven, despite challenges with funder demands. This enables many of them to serve immigrants, regardless of their eligibility for federally-funded settlement services. Others highlighted a similar trend, saying that settlement services are responsive to community need, constantly innovating what is offered to best respond to current needs. However, some noted that the sector tends to be overly reactive, which results in less strategic planning and more chasing of funding dollars and demands. For some, this has made much of service planning and delivery less relevant to the needs of immigrants.

The settlement sector is very diverse. This is reflected by staff diversity within settlement agencies as well as by diversity across organizations and those working in this sphere. Respondents pointed out that the sheer number of agencies and actors involved in the settlement sector makes it difficult to clearly define. Those delivering settlement, employment and support services include: large multi-service agencies, municipal services, community health care clinics, legal clinics, ethno-specific agencies and other small niche agencies, employment agencies, programs within other service agencies, private sector services, post-secondary institutions and programs, and faith-based services. There are also umbrella agencies, think tanks, research centres and academic and community partnerships working across immigration issues and supporting aspects of the settlement sector.

Over the last ten years, respondents have seen many new players enter the immigration and settlement sector at large. Some noted that many so-called new players are in reality old players repackaged with buzz-words and social enterprise models. The corporate sector has taken up a larger role (Conference Board of Canada, Canadian Chamber of Commerce) and, according to some individuals, these organizations garner more respect than the nonprofit sector and its work. On public policy issues related to immigration, immigration lawyers are now some of the biggest advocates; however, respondents noted that lawyers have a

particular stake in issues. More recently, private citizens, constituent groups and neighbourhoods have banded together in growing numbers to support and fund refugee resettlement through private sponsorship. This has added another layer of diversity to the sector that serves immigrants and advocates on issues related to immigration and settlement. Wide spread civic engagement in refugee settlement promoted by the Syrian crisis has been an important development that has aided in strengthening the wider population's commitment to progressive immigration policies.

Most respondents count the diversity of the sector as a strength and an asset, noting how coordinated and networked the sector is – especially in the GTA. Others said the settlement sector was fractious and divided. This sentiment came across most strongly as respondents described how agencies under the NPM model compete amongst each other for limited funding, trying to distinguish themselves as unique, rather than collaborating and building common-ground with other agencies. To most, the Ontario Coalition of Agencies Serving Immigrants (OCASI) has played a strong role in unifying the sector – especially vis-à-vis communication and advocating on behalf of the sector. However, some respondents felt that the sector needed to better define its role and standardize a model of care in order to have common ways to demonstrate and measure success. Others felt that any pan-Canadian settlement vision needs to take a position in relation to issues such as equity, anti-racism and Aboriginal rights, rather than being defined exclusively in terms of service delivery.

### **Research, Policy and Advocacy**

All respondents believe that some funding autonomy is essential for genuine engagement in advocacy. For many, funding autonomy and, specifically, not being tied to RICCFunds, is a direct contributor to the ability to critique government policy and do advocacy work. Most noted that there is always an unequal power relationship with a funder – and when this is government, it is more complicated. This limits advocacy

and push-back. Many respondents believe the settlement sector is uniquely positioned to engage in public policy advocacy and to raise awareness on issues related to immigration and settlement. They are on the ground with immigrants and can bring individual issues and trends to a systemic level (See: De Graauw 2016). However, according to most respondents, the settlement sector on the whole, does not engage in much advocacy. One respondent noted that, when compared to other nonprofit social service sectors, the settlement sector is quiet and quite tame. For many, this lack of advocacy is related to a fear of losing funding.

Umbrella agencies, such as OCASI, and other coalitions, such as the Consortium of Agencies Serving Internationally-trained Persons (CASIP), play an important role in ensuring that the sector has “protected voices” when advocating. Respondents felt that their agencies could not lobby, but that advocacy could happen through these channels. Some noted that it is not difficult to advocate, but that this cannot be done in opposition; it can be done in “soft ways,” such as by engaging in planning tables, the national settlement council, working groups, boards and umbrella groups (Evans and Shields 2014). One respondent noted that “advocacy is also a good service” – helping to ensure that policies and politics align with community needs. However, others noted that the softer advocacy coming from agencies can be a form of self-promotion, reinforcing competition in the sector. Others noted that autonomous organizations, like foundations should be playing a more active role in both advocacy and funding advocacy work for agencies, which “can’t separate the political from issues.”

Recently, umbrella organizations are increasingly monitored and controlled. This, according to some respondents, is intended to restrict advocacy. OCASI, unlike many other umbrella agencies, has continued to speak out in defense of immigrants and the sector (Douglas 2016). However, some respondents felt that the advocacy efforts were not always strategic, and were too often reactive and overly focused on settlement sector funding. One respondent noted that in an advocacy

space, OCASI needs to support defining the sector first, in order to be able to best advocate for the sector's work. Another highlighted that advocacy can come directly from agencies themselves, "pushing back with funders and not taking everything as it comes."

Some organizations continue to advocate in public spaces, despite the "advocacy chill" produced and perpetuated by governments. Respondents noted that some small ethno-specific agencies continue to do valuable advocacy work and respond to local issues. Some of these organizations have been defamed for doing so; although many do not risk funding, they may risk revocation of charitable status. The fear of advocacy and speaking out, according to a number of respondents, has never been as severe as it was during the decade of Harper rule at the federal level. Even still, different actors and players have entered into these spaces to advocate for policy and program reforms. A key example was the direct advocacy and mobilizing of health care professionals, students and other activists around cuts to the Interim Federal Health Program for refugees. The formal settlement sector supported and participated in this movement, while the leadership came largely from others. Similarly, the recent Syrian refugee crisis brought forward a significant surge in public pressure and mobilization from faith-groups, community groups and private sponsorship groups. These groups have been vocal and have drawn important attention to a number of important areas, including the value of resettlement and diversity in Canada, the presence of a settlement sector and the inadequacy of many social supports currently in place.

When asked about the importance of research for the settlement sector, respondents noted that a growing body of research in this field has been vital to supporting service planning and advocacy. More, respondents noted how CERIS, Metropolis, Social Planning Toronto, the Maytree Foundation and other partnerships with researchers and academics, showed agencies that they "could get involved in research and help to define the agenda." Some noted that such collaborations have been important in helping the sector measure success, come into public

policy arenas and influence governments. In addition, some of the research that came from these collaborations built the capacity of agencies to undertake their own research and document, through evidence, local-level and neighbourhood challenges, service impact, and policy issues (Shields, et.al 2015). In a policy world where evidence and the ability to show results matter, research capacity can be a significant asset (Lum et.al 2016). Agencies that use research to build a strong case for their services, according to our key informants, appear to be enjoying greater access to varied funding streams. One respondent highlighted that research on the indicators of disadvantage and how settlement services are aligned and respond to this, would support both the work of the sector as a whole and the ability to convince others of the value in this work.

## **Conclusion**

ISAs have been an essential part of modern immigration settlement and integration in Canada. Their funding to deliver locally centred services for newcomers has been part of internationally recognized best practices approaches to immigrant reception. Active state support for settlement has in fact become an integral part of Canada's welfare system. However, the impacts of years of neoliberal restructuring of social provision and funding austerity has weakened the foundations of the settlement sector and worked to loosen the community-based ties as NPM 'reforms' imposed controls on ISA programing have bound nonprofit service delivery to funders over communities served. The relationship between ISAs and state funders has been an overly one directional controlling one, not a true partnership, with government setting all the rules. It has also served to in effect narrow the role of ISAs to simply that of service provider, marginalizing an advocacy function. The diversity of service delivery offered by nonprofit agencies has long been identified as one of the core strengths of the sector (Salamon 2015) but this asset has been weakened

under NPM given its preference to fund primarily large multiservice agencies.

At the heart of the ISA-government relationship is the model of funding developed under NPM. The imposition of a competitive short-term program-based financing tied to a rigid accountability framework, which replaced a more open ended block funding system, is the mechanism by which government is able to control those it funds and impose business-oriented management systems. Moreover, the instability of funding for ISAs and the endless pressures to lean service provision – ‘do more with less’ – has created tremendous precarity in the sector making forward planning very difficult. The key to reform, consequently, rests with the funding model (See: Shields 2014: 269-274). Funding needs to be longer-term and stable with more flexibility in terms of organizational discretion in spending. The accountability to funders needs to be less rigid and opened up to include accountability to communities served. Funders should not be in a position where they impose ‘advocacy chill’ on service providers. A funding system that recognizes the value of the diversity of the settlement sector and supports large multiservice agencies as well as small ethno-specific ISAs is important as it is this diversity which enables greater reach and a more flexible response to varying newcomer needs. A measure of ISA funding autonomy is essential for effective engagement with community and advocacy. ISAs ‘give voice’ to the communities they serve, and this is essential to making integration a two-way street. For too long the relationship between ISAs and their government funders has been top down, without real dialogue or true partnership. A mature and respectful relationship between funders and ISAs that values the services and the organizations that deliver them is critical to improving immigrant settlement and integration.

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## **"You Got to Make the Numbers Work": Negotiating Managerial Reforms in the Provision of Employment Support Service**

Debbie Laliberte Rudman,<sup>1</sup> Rebecca M. Aldrich,<sup>2</sup> John Grundy,<sup>3</sup> Melanie Stone,<sup>4</sup> Suzanne Huot,<sup>5</sup> and Awish Aslam<sup>6</sup>

**ABSTRACT:** Neoliberal activation logic has intensified in the employment services sector, accompanied by austerity measures and new public management (NPM). We report findings from the Canadian site of a collaborative ethnographic study addressing the negotiation of long-term unemployment, specifically focusing on local-scale implications of administrative reforms to employment service delivery. Informed by street-level bureaucracy and governmentality, we demonstrate how the articulation of managerialism in activation-focused employment services and the emphasis on 'making the numbers work' results in a series of inter-related effects, including: work intensification; reconfiguration of key relationships; and heightened insecurity. Simultaneously, frontline staff engage in forms of service provision unaccounted for under official metrics, but central to their perceptions of service users' needs. Our analysis confirms the necessity of ethnographic approaches to documenting street level enactment of, and resistance to, neoliberal governmentalities.

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<sup>1</sup> Debbie Laliberte Rudman is an Associate Professor, School of Occupational Therapy and Graduate Program in Health and Rehabilitation Sciences, University of Western Ontario. Email: drudman@uwo.ca

<sup>2</sup> Rebecca Aldrich is an Assistant Professor, Department of Occupational Science and Occupational Therapy, Saint Louis University. Email: raldrich@slu.edu

<sup>3</sup> John Grundy is a Postdoctoral Fellow, Department of Political Science, York University. Email: grundy@yorku.ca

<sup>4</sup> Melanie Stone is a PhD candidate, Women's Studies and Feminist Research, University of Western Ontario. Email: mstone33@uwo.ca

<sup>5</sup> Suzanne Huot is an Adjunct Professor, School of Occupational Therapy, University of Western Ontario. Email: shuot2@uwo.ca

<sup>6</sup> Awish Aslam is a PhD student, Department of Sociology, University of Western Ontario. Email: aaslam5@uwo.ca

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## **Introduction**

Labour market policy in Canada has undergone profound reforms over the past several decades. Federal and provincial governments have embraced the activation framework of labour market policy, which entails disciplinary approaches to the unemployed. In the name of removing work-disincentives, and buttressed by a parallel rise in austerity measures, activating reforms emphasize limiting unemployed individuals' access to income security programs such as Employment Insurance (EI) and enforcing their entry into paid employment through the adoption of rapid re-employment or 'work-first' employment service delivery models. Within service provision, there is an emphasis on interventions that enhance individuals' employability and job-seeking efforts through changing client behaviours and attitudes (Grundy 2015a; Porter 2015). Such 'work-first' models are bolstered through the use of techniques of new public management (NPM) in service delivery, including the extensive use of performance-based contracting of service providers and outcomes-based accountability measures. Policy makers promote these techniques as maximizing the efficiency of client re-employment and achieving greater value for money. Yet, as a growing body of critical social policy scholarship demonstrates, the adoption of NPM, as well as activation measures, can also be viewed as attempts to discipline managers, service providers, and clients' conduct in ways consistent with neoliberal rationalities (Brodkin 2011; Soss et al. 2011).

Reporting findings from a broader ethnographic study of employment service provision and long-term unemployment in Canada and the United States, and drawing on street-level bureaucracy and governmentality literatures, this article examines the consequences of

NPM as a concealed track of welfare reform (Brodkin 2013) for service providers and service users. Building on recent scholarship that emphasizes the need to study what actually happens when governmentality practices 'hit the ground' or the 'street level' (Brady 2011; Lipsky 1980/2010), our central claim is that the articulation of managerialism in employment service delivery, and the heightened pressure on staff to 'make the numbers work', results in series of inter-related effects. These effects include work intensification for service providers; reconfiguration of the relation between service providers, funders, and clients; and heightened insecurity for service providers and service users. We also highlight instances of resistance and subversion that demonstrate the ways service delivery staff seek to work around or, at times, push back against narrow quantitative measures of service delivery, often assuming the risk of undertaking unaccounted work and pursuing invisible outcomes in the process. Following Brodkin (2011), we contend that these combined effects of activation measures and NPM are often not made visible through dominant ways of studying service delivery, such as examining legislation and administrative documents or tracking official metrics, but instead require investigating policy in action within the contexts of service delivery and everyday lives. Theoretically, we demonstrate how employing an ethnographic approach to examining governmentality, combined with a sensitivity to street level practices, enables moving beyond linear, all-pervading assertions regarding the effects of neoliberal governance toward more complex understandings of how activation and NPM measures are negotiated in everyday practices.

### **Background and Theoretical Framework**

Among many member nations of the Organisation for Economic Cooperation and Development (OECD) employment policies and services have been significantly reconfigured according to the paradigm of neoliberal activation, and in many countries this reconfiguration has intensified since the 2008 recession (Boland 2015; Evans & Albo 2010;

Porter 2015; Soss et al. 2011). Activation policy has redefined the problem of unemployment. While for much of the post-war period, policy makers conceived of unemployment primarily as an economic problem to be addressed through macroeconomic policy promoting full employment, contemporary ‘activating’ approaches to unemployment place much more emphasis on modifying the behaviour and attitudes of unemployed individuals. Within an activation paradigm, unemployment is essentially a problem of the unemployed, one to be resolved through interventions that ‘activate’ and ‘responsibilize’ unemployed individuals (Grundy 2015a; Ilcan 2009). Activation approaches are purported to transform passive unemployment into active job-seeking, discursively locating the factors causing unemployment within the knowledge, skills, and attitudes of individuals (Boland 2015). In turn, those experiencing unemployment are increasingly expected to demonstrate responsible citizenship through engaging in a range of activities such as resume writing, interviews, and networking, which are held out as ways to enhance and market the self within the labour market. In addition, engagement in expected activities is often a condition of benefit receipt and/or maintenance of benefit eligibility. There is also an emphasis on finding the ‘quickest route to work’ and being open to the broadest range of employment opportunities possible, with increasingly less consideration of work precarity, under-employment, or wage replacement (Boland 2015; Porter 2015). Overall, activation-based approaches, consistent with neoliberal rationalities, individualize the problems of and solutions for unemployment, privileging measures aimed at transforming citizens ‘at risk’ of state dependency into self-reliant, responsible, and productive citizens (Schram et al. 2010).

Labour market policy in Canada has undergone profound reforms over the past several decades that have sought to activate the unemployed and re-shape service delivery models in ways that emphasize individual responsibility (Grundy 2015b; Porter 2015). Moreover, individualization and the focus on rapid re-employment have been exacerbated and shaped in more disciplinary ways within a broader

'austerity' response (Evans & Albo 2010; Ilcan 2009; Soss et al. 2011). As Porter (2015) demonstrates, changes to Employment Insurance implemented in 2012, including alterations to the definition of suitable employment and measures that promote acceptance of precarious low-wage work, enact an austerity approach "aggressively moving to create conditions that would ensure a sizable low wage labour pool" (Porter 2015; 38; see also Grundy & Laliberte Rudman 2016).

The rise of neoliberal activation in labour market policies and austerity approaches has also been accompanied by the incorporation of NPM principles and practices purported to optimize the performance, efficiency, and effectiveness of employment services (Brodkin 2015; Grundy 2015a). Driven by overarching goals of 'doing more, with less' and re-making public bureaucracy in the image of the private sector (Baines et al. 2004), NPM focuses on the incorporation of market-based, competition-driven tactics to manage public services, such as using performance systems that monitor outcomes and emphasize accountability, establishing benchmarking systems, and employing competitive contracting mechanisms (Pollit & Bouckaert 2011; Soss et al. 2011). With the incorporation of NPM by the federal Liberal government in Canada accelerating in the 1990s, the implementation of NPM has involved a shift away from process or input measures in the employment services sector towards quantitative outcomes measurement (Grundy 2015a; Ilcan 2009). In an increasingly decentralized policy environment (Ilcan 2009), NPM has been drawn upon as a mechanism to delineate what activities and outcomes 'count' in the employment services sector; steer discretion in service provision processes; and optimize the fit of higher-level system goals with what occurs in street-level practices (Brodkin 2011; Schram et al. 2010).

Drawing upon a governmentality perspective, within this study we conceptualize NPM and the performance management techniques it promotes as "neoliberal systems for disciplining service providers" (Soss et al. 2009; i205). As such, we frame managerial reforms in the employment services sector as techniques of governance aimed at

shaping the conduct of service providers at a distance in an increasingly decentralized system. These techniques attempt to establish a 'chain of discipline' inter-linking various levels of government, service organizations, front line staff, and clients, through which a responsabilizing ethos emphasizing self-government is promoted, shaped, and monitored. Such techniques do not necessarily require various actors to accept or take up a neoliberal worldview or rationality. Rather, they operate by organizing fields of practice, for example, via establishing outcomes to be achieved and reported and backed up by rewards and penalties, in ways that shape decision-making and self-discipline (Ilcan 2009; Schram et al. 2010).

However, research has challenged the assumption that NPM strategies achieve their intended effects unproblematically. According to Soss et al. (2011), attempts at discipline through NPM cannot be assumed to be easily achieved given that "disciplinary power of the NPM (new public management) shapes consciousness and behaviour in ways that are deep and far reaching yet also fractured, inconsistent and incomplete" (i205). Ethnographies of neoliberal governmentalities further highlight the importance of attending to failures and contradictions that become visible when such strategies unfold in service provision spaces (Brady 2011, 2014). Moreover, research that has expanded on Lipsky's seminal work on street-level bureaucracy points to the importance of better understanding the "ways in which discretion interacts with managerial reforms and what that means for production of policy in everyday organizational life" (Brodkin 2011: i255). Thus, in this study we also draw upon Lipsky's work, particularly as it has been taken up by contemporary scholars who use it to frame policy implementation as involving "complex interaction between reflexive subjects involved in multiple relations of power and objective factors that present both opportunities for and constraints on action" (Prior & Barnes 2011: 268).

In our research, we aim to demonstrate how service provision organizations and front-line service providers negotiate the effects of NPM in their everyday practices and discretionary capacities. Based on

the data analysed below, we offer a critique of NPM's premises and promises by pointing to the contradictions, tensions, and 'unintended' implications that arise in its application (Brady 2011; Brodtkin 2011).

### **Methodology**

Findings presented in this article are drawn from a collaborative cross-site ethnography (Lassiter 2005; Lassiter & Campbell 2010) being conducted in Ontario, Canada and Missouri, U.S.A. that is funded by the Canadian Social Sciences and Humanities Research Council. Ethics approval for this study was received from universities in both study sites. This study focuses on illuminating the boundaries and possibilities for service provision and the individual negotiation of long-term unemployment in everyday life, as shaped through contemporary policy and employment service provision approaches.

In this article, we draw upon data from the Canadian site that focused on service provision processes and practices. In the Canadian site, the sample for this particular phase of the study consisted of 12 participants (10 female, 2 male) associated with four employment service provision organizations. Ten participants provided direct services to clients, while 2 had shifted into managerial positions. In contrast to their counterparts from the U.S.A. study site, these service providers spoke at length about the effects of activation and austerity reforms on their everyday work practices. In particular, the Canadian service providers described actively negotiating performance management initiatives that shaped possibilities and boundaries for service delivery. We collected data with these participants over a five-month period via one to two audio-recorded semi-structured qualitative interviews and one to four workplace observation sessions per participant. Observations explored various aspects of service provision including individual meetings with clients, educational workshops for clients, and team case conferences. Data were recorded in written and/or audio-recorded field notes. In addition, we held a site-specific focus group at the end of individual data collection efforts to discuss preliminary analytical findings with a sub-

group of five service providers. Following verbatim transcription of interview audio recordings, we used open coding, focused coding, and critical discourse analysis (Cheek 2004; Laliberte Rudman 2013) to achieve a complex understanding of the data.

### **Analytical Findings: The Negotiation and Implications of Managerial Reforms**

This study's findings are interpreted in the context of changes to labour market policy in Canada. Austerity measures and policies have long been a driver of managerial reforms to employment service delivery in Canada. During the 1990s, the Canadian federal government significantly reduced public sector spending and simultaneously transferred increasing responsibility for employment support services to provinces via labour market partnerships (Ilcan 2009). In the mid-1990s, extensive budget cuts to Human Resources Development Canada, the federal department then responsible for delivering employment services, fueled the contracting out of service delivery to non-profit and some for-profit agencies (Grundy 2015a; Ilcan 2009). At the same time, the federal government implemented a performance measurement regime known as the 'Results-based Accountability Framework' for employment service delivery, which held service providers accountable for the number of clients returned to work, and the amount of savings to the Employment Insurance (EI) fund as a result of employment service provision. There was widespread acknowledgement that these performance measures led to systemic pressure among providers to offer short-term, work-first services to those most job-ready, while further limiting services for non-EI eligible clients (Grundy 2015b).

The federal government began to transfer employment service delivery to the provinces in 1996. Yet, it was not until 2007 that Ontario assumed control of the bulk of labour market programming following the signing of a Labour Market Development Agreement that entailed the transfer of federal staff and resources to the province. A subsequent Canada-Ontario Labour Market Agreement (2008-2014) provided

additional federal funds for services directed at those ineligible for EI-funded training, including immigrants, social assistance recipients, and the long-term unemployed (Ilcan 2009; Wood 2015). Within Ontario, the provincial employment service was branded as Employment Ontario (EO), intended as a comprehensive suite of employment supports including employment assistance services, labour market information, and job referral as well as training and apprenticeship programs. EO emphasizes a one-stop model with services delivered through 171 service providers located at over 300 sites (Ministry of Training, Colleges and Universities 2015). Extending the use of competitive contracting established by the federal government, the Ministry of Training, Colleges and Universities (MTCU), renamed the Ministry of Advanced Education and Skills Development (MAESD) in summer 2016, contracts for EO services mainly with non-profit agencies but also with publically and privately funded post-secondary institutions (EO 2011).

Consistent with a NPM emphasis on promoting accountability and ensuring efficiency through benchmarks and delineated quantifiable outcomes, since 2010 the MTCU/MAESD has monitored the performance of agencies through the EO Information System – Case Management Systems (CAMS). This system was designed as a mechanism to systematize how service providers across the province initiate, design, and enact services with clients. Through its on-line platform, CAMS establishes, tracks, and reports predetermined, quantifiable outcomes (employment, training/education, or other) at 3, 6 and 12-month time points for each ‘assisted service unit’ or client opened, commensurate with a ‘quickest route to work’ approach. Data that service providers are required to input through the system are used to track individual and organizational level performance, and are drawn upon to manage and organize the delivery and contracting of EO services (Employment Ontario Information System – CAMS, 2014). In its 2014/15 ‘Results-Based Plan Briefing Book’, the performance measurement target set by the MTCU for EO was that “79 percent of Employment Service program clients will obtain employment or go on to

further education/training” (13).

The condition of the Ontario labour market poses additional challenges for service providers. A lasting effect of the Great Recession has been a persistent spike in long-term unemployment. In Ontario, during April 2016, 20 percent of the unemployed were long-term unemployed (unemployed for 27 weeks or more), whereas during April 2008 this figure was 13 percent (MAESD 2016). Beyond long-term unemployment, there are numerous indicators that precarious employment is spreading in the province’s labour market. The share of employees in Ontario earning the minimum wage has increased from 2.4 to 11.9 percent between 1997 and 2014 (Block 2015: 2). The portion of Ontario employees earning within \$4 of the minimum wage, that is, low-wage workers, also increased during this time, from 19.8 percent of Ontario employees to 29.4 percent. As well, six in ten minimum wage earners and four in ten low-wage workers experienced unpredictable and erratic hours of work. The share of Ontario employees working less than 40 hours a week is also increasing; in 1997 it was 42.5 and in 2014 it stood at 50.5, representing a 19 percent increase (Block 2015: 5). The greater prevalence of long-term unemployment and precarious employment makes the attainment of stable, high quality employment increasingly more difficult.

Shifting to data collected in our study, service providers (identified below using pseudonyms) fore-fronted discussion of changes in the nature of their work related to the specific implementation of the CAMS system; policy, funding, and labour market conditions; and a more general push towards an outcome-based system in which they felt increasingly pressured to ‘make the numbers work’ for individual and organizational performance metrics. Although they acknowledged the importance of tracking outcomes, service providers raised concerns about the implications of increased emphases on narrowly-defined predetermined outcomes, work intensification related to the demands for tracking and reporting, and changed relationships within the sector. As well, service providers framed NPM initiatives as setting boundaries on

their abilities to support clients’ well-being and employability. In contradiction to the ultimate intended outcomes of enhanced employability or employment, service providers articulated that meeting demands to make their numbers work enhanced both their own precarity and that of their clients. Although service providers described how they complied with accountability measures, they also resisted their narrowing effects at times, raising concerns regarding how various types of outcomes they valued and needed to prioritize in their work with clients were made ‘invisible’ within existing metrics and framing themselves as obliged to engage in unaccounted work to support clients. Below, we illustrate these concerns and discuss them in relation to NPM as a technology of government, which is negotiated by service providers within employment service provision.

### **Making the Numbers Work**

NPM measures aim to shape service providers’ discretionary practices through delineating what activities count as performance and what outcomes are valued and rewarded (Brodkin 2011). Service providers described experiencing a pervasive pressure to ‘make the numbers work’ within the overall movement towards outcomes-based funding and contracting of services in the sector. As stated by Nicole, “Going back to the Ministry, across the provincial government, everything is moving to outcomes based programming. And that’s not going to change.” Similarly, Courtney indicated,

“There’s so much more expectation from the funder as far as accountability, right. How we’re spending the money. And trying to prove our worth and that we are doing our jobs, and by trying to provide those statistics to the funder to provide that. So there’s been so much of that since EO came into play.”

This pressure to meet outcome expectations was further enhanced by the use of an approach in which service providers not only needed to show positive numbers but had to show continuous improvement:

“The thing with the policy is the Ministry doesn’t typically care what you are doing well, they want to know how you are going to improve the things that you are not doing well. So, because we are in a continuous improvement model you must always be continuously improving. Every quarter we have to report how we are doing well in our numbers or not” (Kevin).

Given the disciplinary function of NPM (Schram et al. 2010), service providers found themselves having to work with their numbers in ways that allowed for the demands of funders to be met because “you can’t argue with the funder, the funder is who pays us” (Kevin).

However, in their efforts to make the numbers work, service providers often subverted the intent of the system through re-arranging reporting to meet system expectations, while at the same time obscuring work that was not expected or that defied the ‘work first’ orientation. For example, Kevin shared how he managed his monthly case closings in ways that made the numbers work from the Ministry’s perspective, but at the same time resisted the Ministry’s demands in ways that protected himself and his organization:

“Am I closing the ones [referring to cases] that are bad outcomes?...No, I’m gonna wait until next month when I have a little more because I’m only allowed a couple bad outcomes a month. Right? So I push the ones that don’t need to be closed this month...The numbers will work for the Ministry, no matter what.”

Similarly, Kate shared that she and her colleagues always found a way to meet the funder’s expectations: “I would say sometimes those parameters that are set by our funders are challenging so, but, you know, we always make a way to turn it into a success no matter how we have to work to get that done.”

Pointing to tensions, service providers described experiencing ethical conflicts associated with ‘playing’ the numbers, but experienced such actions as necessary given the need to ensure their own jobs and the

survival of the organizations they worked for. These sentiments are expressed in the following two quotes:

"The writing was on the wall that it was becoming a much more outcomes based [system]. Just the accountability of these agencies that you have to show and prove what it is that you are doing with the funding dollars. But there are games that are played with that, right? That is the frustrating part ethically, if you are going to follow the rules compared to others that don't...You got to make the numbers work" (Courtney).

"The whole ticky box thing. It's like, am I meeting the criteria? Am I meeting so many clients? Am I getting so many open files? Are there so many closed files? What is the outcome of that particular client?...And, of course, it almost seems mechanical where we have taken out the need of the client and we're just kinda jumping through hoops so to speak, and that pulls on me sometimes" (Kate).

Thus, 'making the numbers work' did not reflect an unproblematic compliance with outcomes measures established via the CAMS system, but also involved subverting the system in ways that allowed the appearance of meeting required metrics. Although service providers addressed the importance of tracking outcomes and tried to do so in ways that met system expectations, they pointed to associated work intensification as well as tensions created through the narrow definition of success in NPM measures.

### **Work Intensification**

Service providers' efforts to make the numbers work were associated with work intensification tied to caseload volumes, expected timelines, and inter-related tracking and documentation requirements. For example, in order to meet performance benchmarks, such as 20 successful outcomes and 20 intakes each month, service providers took

on large caseloads that allowed them to make their individual numbers work: “It’s a really busy place...We’re looking to close – we want results for 20, and we want intake for 20, so we all sit around 80 to 100 clients. That’s manageable. It’s busy” (Emily).

While sometimes described as manageable, increasing caseloads were also described as leading service providers away from a desired case management, client-centred approach towards crisis management. Combined with enhanced administrative burden tied to documentation requirements, service providers experienced increasing caseloads but decreasing client contact time:

“Carrying a case load of 80 people is not my ideal world...it’s really just putting out little fires. I can never really get ahead of my caseload” (Kevin).

“A large part of our job now is paperwork, whereas somebody else used to do that before computers came on our desk. We were much more directly counsellors then than we are now” (Emily).

Another aspect connected to work intensification was the way in which the three-month time frame for outcome measurement set pressures to work intensively and quickly with clients, even if such an approach was seen as unrealistic for a client or not achievable within current labour market conditions:

“So the expectation is, under CAMS, they come in, and they’re out in three months. And it just keeps rolling....But the reality is, if you don’t cycle through people quickly, you cannot meet your metrics” (Dwight).

“Well, they want us to open and close the file...the shortest is three months. We can keep it open longer, but we have to justify reasons why we are. Overall, it sorta goes against their research if they’re saying six to eight months to become re-employed in a recessive market, and so the expectations there, I think, are unrealistic” (Emily).

Overall, service providers described having to do more work within a shorter time frame and connected work intensification and the broader influence of NPM to undesired changed relations in the sector at several levels.

### **Changed Nature of Relations**

Service providers talked about the changed nature of relationships at several levels, including with clients, with other organizations, and with the Ministry. In relation to clients, many service providers emphasized how important it was to employ a client-centred approach to counselling, in which they took the time to understand each client's perspective and needs in an individualized and holistic manner. However, they found that enacting this type of approach to counselling became increasingly challenging within current policies and systems. Sarah stated, "As a counselor, we need to be counselling, not only [getting people] employed...Honestly, we are getting sometimes very frustrated when we hear clients [talk about challenges]."

According to Schram et al. (2010), NPM practices extend beyond making agents accountable to reconstituting agency. Such reconstitution was apparent in how service providers discussed changed communication practices with clients. For example, in attempting to negotiate large caseloads and documentation requirements, service providers noted the lack of time to build a relationship through multiple in-person meetings. Instead, service providers resorted to relying heavily on virtual modes of communication with clients even though they found such modes insufficient to meaningfully connect with clients:

"Our caseloads are so high for the work that we do, [so] that [we] do a lot on email now. So I can talk a little bit on email, but it's not the same as having them with me for an hour and it being a personal conversation...So we're finding that the amount of people we're seeing limits the amount of work we can do on those levels" (Emily).

“I’m doing much more mass communication...we don’t have time to build the relationship...I communicate through social media, text, or email” (Dwight).

Service providers also highlighted other barriers to establishing meaningful relationships with clients, including a de-personalized approach stemming from the need to categorize or “cookie-cutter” (Courtney) clients and “call a person a unit” (Kevin). In addition, service providers discussed the challenge of constantly balancing the expectations and needs of funders and those of clients:

“Is it you meeting the numbers, or the client? We need to focus on the individual. We need to focus on the support we give. We don’t need to be thinking in the amount of administrative jobs we need to do, because it’s a lot. Be careful with this...Use the data, but don’t pressure people with the data. Our mission is to give support and to produce results for the individuals and not for the government” (Teresa).

“It’s important that they understand that I actually care about what’s going on with them, and this is not me just putting a notch on a piece of paper, you know, the whole ticky boxes that we have to put in place. Sometimes it can be a little bit overwhelming, and I don’t wanna lose my client focus. That’s extremely important to me...So I make sure that I take the time to let them know that you’re not just a number to me” (Kate).

Nicole, who had previously provided front-line services to clients and now carried out middle management activities, pointed to ways that human resources had been shifted towards administrative tasks and away from direct client service, further creating a barrier to establishing effective relationships: “And that [referring to documentation requirements of CAMS] is why so much human resources have been taken away from client facing activity, is because of the CAMS system”. With respect to relations amongst organizations, consistent with NPM

principles, service providers noted how time-bound contract funding in the employment service sector had fostered increasing pressure to compete amongst non-profit organizations in the sector: "The other thing is not being able easily to collaborate with other partners. Like the funders have set it up kind like a survival of the fittest type scenario where you have to fight with each other over your clients" (Kevin).

In the same way service providers discussed trying to maintain positive relationships with clients in the face of de-personalizing systems and increasing work intensification, they also talked about how they attempted to maintain collaborative relationships with other organizations to meet clients' needs, even if this meant they might take a 'hit' on their personal numbers:

"I have friends over at all the other agencies. So if I think they're going to be better served at X [another employment support services provider], I call my friend... We have an informal network that we use quite regularly. Everything is statistically driven; everything is outcome driven. So I just need to realize that out of my 20 for the month, I have four that are negative" (Dwight).

Nicole also addressed changed relationships with the MTCU. She indicated that although the Ministry, as the primary funder of service, was talking a language of 'partnership', it had been increasingly unresponsive to the perspectives or input of employment support service organizations: "The Ministry does not partner with us on anything... They don't do things with us. It's gone, there's no partnership whatsoever with the funder."

As in their attempts to make numbers work, service providers positioned themselves as in between the demands of the Ministry and the needs of clients. They struggled with the implications of meeting accountability demands of the Ministry for the relationships they could maintain with clients and other organizations. Within these struggles, a complex mix of compliance, subversion and resistance is revealed. The

findings demonstrate that NPM sometimes re-shaped their practice, as in shifting to virtual modes of communication, and sometimes was defied through actions such as collaborating with another organization to meet a client's needs, the latter of which could have negative implications for a service provider's performance assessment.

### **Heightened Insecurity for Service Providers and Clients**

At the same time that service providers discussed ways they continued to push forward in providing services and working towards outcomes they viewed as important, they emphasized that doing so was increasingly challenging given a heightened sense of their own precarity. Demonstrating the disciplinary potential of NPM, service providers experienced boundaries on their exercise of discretion given that their own work security was connected to meeting funders' outcome expectations (Schram et al. 2010). Speaking to the conditions of their own work, they described experiencing on-going stress associated with having to ensure their own survival and that of their organizations through their numbers. Natalie, who shared that "in the last five years, I've been laid off twice", emphasized the on-going stress she experienced related to meeting the Ministry's definition of success:

"I've already been laid off from an organization once because we lost a contract. And this could be the same with this program...if it's not successful in the eyes of the Ministry, then there could be another program that's lost. So the pressure is on."

Teresa also spoke to the on-going stress experienced in relation to meeting performance metrics, indicating that this made it challenging to focus on a client's needs:

"Well, at some point, even if you keep your mind on the client, you are in the stress of the organization for being targets. So that is stressful. Sometimes, worrisome because you can lose your job. And that is the reality we

face every day...I would like to have less pressure for the numbers really."

This sense of on-going precarity ultimately disciplined service providers to make the numbers work, not only for their own survival but also for that of their organizations:

"Okay, so our funding is based on if we hit our targets. So, we have monthly and yearly targets that we have to hit, which would be people that are, files that are employed or close...in training...If we didn't, if we all just kind didn't close that the files that we had to...our funding could not be given to us...our center would close" (Hillary).

Critics of activation-based approaches that emphasize the quickest route to work have argued that people are unlikely to have sufficient time to find a job in the area they were trained or to upgrade their skills, leading to a situation in which persons experiencing cyclical unemployment are increasingly pushed into the low-wage precarious labour force (Porter, 2015).

Our informants also pointed to ways that the current system, with its use of time limits, prioritization of obtaining work as a successful outcome, and limited space for the provision of comprehensive employment support services, not only shaped precarity for themselves but also for clients. Kevin discussed how a 'work first' approach often meant clients were not matched with appropriate jobs:

"They are looking to get people in and out as quickly as they can, which they should and I agree. I think that there are a lot of people who are not taking the right job fit because of the pressure to get them working right away" (Kevin).

Emily and Sarah emphasized the frustration that resulted from narrowly defining success as a 'survival' or temporary job and the potential cycle of precarious employment and unemployment that could evolve:

“So the Ministry sees them working in a survival [job] and the file is close because they’re working. So although the Ministry see it as a success...it’s not the intent when they came in and sat down with me” (Emily).

“Then, after a few months, they will contact us when they lose a temporary job to look for another job. So for me, as a person, I don’t like to put that ticky point. Why? Because I want to help them to be in a stable career not only temporary” (Sarah).

Dwight connected the Ministry’s use of short frames and focus on narrow outcomes to shaping a cycle of precarious employment for clients. He stated that “the timeframes attached to funding influence directly, affect how services are delivered as the entire process... is outcome based”, such that, “the problem I have on a personal level is I’ve opened the same client multiple times within 12 months. They go to precarious employment, temporary job, come back in three months. I get them to access another temporary job.” Although these numbers could be tracked in the current system as indicative of multiple successes in relation to attaining an employment outcome, service providers pointed to enhanced precarity for clients.

### **Subversion and Resistance Within Service Provision: ‘Invisible’ Outcomes and Unaccounted Work**

To summarize findings presented thus far, service providers discussed the pressure to ‘make the numbers work’ to meet the expectations of the Ministry. Service providers discussed being aware of ways NPM measures were being enacted so as to shape their conduct. Yet they also described how they did not always comply with the narrow vision of organizational activity embedded in the performance measurement system. As noted above, they discussed playing with the numbers in ways that simultaneously met the Ministry’s metrics while subverting its demands for timely reporting so as to extend service provision for clients and avoid the implications of reporting ‘negative’

outcomes. They also discussed how they tried to establish individualized relationships with clients and collaborative relationships with other service organizations despite the barriers established by the setup of the system. In addition, service providers emphasized how they attempted to circumvent the shaping of services through NPM measures through working towards outcomes and enacting services not mandated nor counted in the CAMS, that is, toward outcomes beyond, as one participant put it, "they have a job or they're in training for a job" (Kevin). Such forms of service delivery are important to highlight because they demonstrate how techniques of neoliberal governmentality, such as performance measurement, are not unproblematically deployed across social and organizational settings.

Service providers were overtly critical of the many boundaries on service provision being shaped through the current EO model. In particular, they pointed to ways that current policies and accountability mechanisms meant that the needs of persons experiencing long-term unemployment or facing complex challenges to employment were often not adequately addressed. For example, Kevin and Emily were critical of the disincentives built into the system associated with providing long-term services to clients,

"Employment Ontario really doesn't have any additional supports to help people move (out) of long [term unemployment]...Our points system is what marks...how well we do...If we take more than 90 days on particular item, actually hurts us...So, I guess just the way it was rated, like funded, kind of dictates that and long term really isn't supported in that capacity." (Kevin)  
"The people who really, regardless of how nice their resume looks or the interview skills look, they're just not bought in, they don't believe, they've given up...or there's addictions, there's things that we need to be working on with them and having them involved in before we ever open the file here because as we open a

file here, the Ministry needs to see action, and those aren't even counted. It's a referral out, but it's a lost stat" (Emily).

Megan emphasized that the focus on 'work first' meant that she could not provide adequate pre-employment skills training that some clients required:

"But that pre life skills training, personal counseling is something that, I think, is really lacking here. And if we had that, then people could move forward to employment...But these are barriers that really need to be addressed."

It was therefore clear that service providers, and sometimes the organizations they worked for, held more complex understandings of the pathways to employment and client success than the practices and outcomes codified via CAMS, resulting in challenges and tensions at the level of service delivery. For example, Megan discussed particular challenges providing services to clients who were recent immigrants and whose paths to employment tended to be lengthy due to numerous barriers: "We get outcomes for in training or education or employed, so our numbers have to reflect that and it can be challenging".

Natalie discussed tensions that arose for her when working with clients who faced barriers and could not directly move forward to the Ministry's outcomes, emphasizing she resisted the pressure to 'push' clients too early into a service even when this could have a negative impact on her own numbers:

"The challenge I have is when things are out of my control, because I have stats I have to reach...when things are out of my control for whatever reason, it's just not the right time for the plan or the barriers...they come back and have mental health issues, or drug addictions, alcohol addictions...So that's, like it's a person I've lost so it's a stat that has gone, so I might explain myself. I am there for the client and I understand

that I have stats too, but I won't just push somebody into a work experience when it's not the right thing for them."

Thus, at the same time as describing the disciplinary effects of NPM on their behaviours (Soss et al. 2011) such that they were constrained in their ability to provide what they perceived to be essential services, service providers also described moving forward in achieving outcomes that remained unaccounted for given their understandings of clients' needs and the values they held as service providers.

A common concern expressed by service providers was that officially measured outcomes, that is, training, education or employed, were too narrow to capture many of the outcomes that providers did achieve with clients. Activities such as linking clients with personal counselling, getting a bus pass for clients, or securing housing, were often recognized as essential "baby steps" (Courtney), necessary to ensure well-being and a stable foundation prior to addressing employment, education or training but rendered invisible through performance management mechanisms:

"The organization wants a solid number, so like, employed, or, in training. So, they're not going to go, 'Yay? You went and registered for a course', or, 'You went and grabbed your bus pass', or 'Oh, you were able to move forward and...get more secure housing.' It doesn't really – they don't measure the little steps" (Hillary).

"Sometimes when you're working with people that you're referring out to addictions counseling...to support groups... you see changes in them, that's incredible to me as a counselor, a success on a level that's not even coded. It's considered a soft skill, so they wanna know are you working or are you in school" (Emily).

Indeed, almost all service providers described work that they did that was essential but not counted in the metrics of the current system. Such work

was often framed as subversive, that is, as intentionally occurring out of view of the Ministry metrics and, in many cases, as not accounted for in considering a service provider's work or quality of performance. For example, Hillary discussed how she continued to remain in touch with clients and "support them all the way through" even when the client case was officially closed in the Ministry system: "It's closed. It's not open sort of in the Ministry eyes. It's a closed file, but I mean, I assist so many people that aren't officially registered."

Natalie discussed working with her clients, who were mostly youth, on many "soft skills" that were necessary for them to move forward, acknowledging that this work was not counted or recognized: "There are so many steps that the youth make...But it doesn't fit with the ticky boxes. So it's not recognized by management. So you just have to find a way to push that to one side." Nicole shared how service providers developed their own outcomes, which they celebrated collectively and which continued to motivate them in their work:

"I think it's really important that we have our own measures to satisfy those other needs. And we do. We celebrate, like if a client can't get out of bed and get into the office to attend a workshop, and they overcome that hurdle, we do celebrate those things....That's what fills our gas tanks...The bottom line is I don't get warm and fuzzy because I met my numbers, I get teary eyes when I see something amazing happen for a client."

While staff used their discretion to provide services based on their values and beliefs regarding best practices and their perceptions of clients' needs, such workarounds were not without personal or professional costs to staff, costs which are undoubtedly exacerbated by their own labour market and organizational insecurities. As explained by Dwight, "I have seen my team members bend over backwards taking their own time, their own personal energies." Working towards outcomes not valued in the system but valued by service providers and clients required personal investment: "And at the pace we're going...you've got to be really

invested and wanting to help. Our caseloads are way too high for the amount of work we do." Thus, as responsibilities and accountabilities are downloaded to the level of service provision, service providers are acutely aware of the costs of discretion, particularly forms of discretion that resist and subvert the aims and rules of NPM measures. In turn, these costs, such as work intensification that involves not only 'visible' work expected within the system but 'invisible' work that resists the limits of the system, may set boundaries on the extent to which service providers can incur the risks associated with such actions.

### **Discussion and Conclusion**

The integration of NPM into the employment services sector has been one means to establish 'governing at a distance' through a chain of disciplinary relationships running from the provincial government, to organizations dependent on government contracts, to frontline workers and to clients (Schram et al. 2011; Soss et al. 2011). Within the context of this study, performance monitoring through CAMS attempts to enlist organizations and service providers in enacting a management culture in which pre-determined outcomes are tracked to reward or rebuke service providers on the basis of their performance. As recent ethnographies of neoliberal governmentality in employment service delivery demonstrate, however, technologies such as performance measurement do not completely determine what service providers do, given their many contradictions and inconsistencies (Brady 2011; Huot 2013; Soss et al 2011). Moving beyond textual based methods that often result in an account of the coherence and disciplinary effects of various forms of power, ethnographies of governmentality can capture the complex ways power operates including resistance, evasions and unintended effects of governmental techniques (Brady 2011). Through examining how service providers understand, enact, and negotiate NPM within the contemporary policy, funding and labour market conditions in Ontario, Canada, this study highlights both the disciplinary effects and cracks associated with the interweaving of activation, austerity, and NPM.

Pointing out such cracks serves to reveal not only problematic ‘facts’, but also opens up the possibility “for doing things differently” (McDonald & Martson 2005:379).

In many ways, this study’s findings support critical scholarship on NPM that has suggested a tendency of performance management to prompt organizations, and front-line service providers, to make the numbers work in ways that may actually be contradictory to intended processes (Grundy 2015a; Soss et al. 2011). These findings illustrate how the articulation of managerialism in activation-based employment support services can lead to an emphasis on ‘making the numbers work’, such that service providers are disciplined to account for system-defined outcomes. However, given the narrow definition of successful outcomes, service providers simultaneously manage the numbers and exercise discretion so that they can achieve other outcomes that are preparatory for system-defined outcomes and are needed by clients in the complexity of everyday life. As the sector has become increasingly de-centralized (Ilcan 2009), NPM has been implemented in ways that download costs and insecurities to street level organizations and their employees (Baines et al. 2014; Phillips & Levasseur 2004). In this study, the costs and insecurities have been work intensification, barriers to establishing collaborative relationships, engagement in unaccounted work to achieve outcomes not visible in performance metrics, a pervasive sense of precarity for service providers, and an uneasiness about perpetuating precarity for clients.

The implementation of NPM within the employment service sector has been purported as a means to enhance service delivery outcomes through promoting efficiencies, enhancing accountability, and ensuring a ‘work first’ orientation (Brodkin 2015). However, highlighting how such measures can work against providing equitable, quality service, service providers underlined the ways in which the existing metrics and reporting demands set boundaries on who was served and what types of services could be provided. In particular, service providers’ descriptions of their daily negotiations at the street-level raise concerns regarding how

such dynamics make it increasingly hard, as well as risky to service providers, to meet the needs of clients facing complex challenges such as long-term unemployment. At the same time, the 2012 EI reforms have further limited protections for persons experiencing labour market insecurities and have promoted the creation of a low-wage labour pool (Grundy & Laliberte Rudman 2016; Porter 2015), increasing entrenchment of particular types of workers in precarious labour. Addressing these contradictory effects arising out of the misfit between client needs and the organization of services and income security is essential to promote systems that enable service providers to respond more effectively to the heterogeneous nature of persons experiencing unemployment, many of whom are not 'work or training ready' given their life circumstances and conditions.

These findings also highlight the importance of going beyond an overall valuing of numerical performance targets to critical considerations of what 'outcomes' come to be valued and counted and who has a say in defining outcomes (Brodkin 2011; Grundy 2015a). Although service providers did not negate the importance of outcomes related to education, training and return to employment, the findings demonstrate concerns regarding the limits of such outcomes. For example, setting such outcomes within a time-limited service frame appeared to promote a 'work first' orientation, even when this was associated with perpetuating a cycle of low-wage, precarious work. As well, it also promoted unaccounted work addressing a series of other outcomes viewed as successes by service providers, such as securing transportation or acquiring needed food and housing resources. Without acknowledgement of the importance of such outcomes, and the work that is required to attain them, the needs of particular client groups may become increasingly marginalized and invisible and the working lives of service providers may increasingly be characterized by ethical conflict, stress and frustration. As argued by Phillips and Levasseur (2004), it is of concern that increasing pressures to conform to particular processes and outcomes implemented through NPM accountability frameworks can

promote “thinking small and inside the box” (458) in ways that stifle risk taking and innovation in service delivery. Moreover, service providers’ experiences of precarity, work intensification, and tensions between what they can do and what they think and feel they should do raise concerns about the effects of such work on service providers’ well-being and tenure in the employment support services sector (Eikenberry & Kluver 2004; Curtis 2006).

As Brodie (2008) reminds us, “[p]reviously cultivated identities, political consensus, and cultural ideals...constitute obstacles to the promotion of a new governing order, and its particular way of representing and intervening” (148). Drawing together governmentality and street-level bureaucracy literatures, this article examined both the implementation of, and resistance to, NPM in employment service provision. The findings support an understanding of service providers as ‘situated agents’ who act in contexts shaped by NPM as reflexive actors who interpret a range of structural, interactional and personal factors (Prior & Barnes 2001). In this study, service providers did express that NPM strategies had set the rules of the game (Brodin 2011), but they simultaneously enacted discretion in ways that sometimes worked around, subverted and resisted such rules in creative and often hidden ways. Positioning themselves as intimately experiencing and negotiating the clash of clients’ social needs and system pressures and boundaries on a daily basis (Schram et al. 2010), these service providers described challenges that evolved out of having to work in a business model while valuing their work as counsellors. Work-arounds often occurred when service providers experienced ethical tensions, or tensions between their own beliefs about service provision and their assessments of clients’ needs with the forms of service provision valued and accounted for within the systems in which they worked.

However, while exercising discretion and engaging in work-arounds that subverted limits in service, service providers often had to do so at a personal cost, such as doing work that was not accounted for, putting their own numbers ‘at risk’, enhancing work intensification, or

drawing on their own personal time and resources to support clients. Ultimately, within the context of a system guided by a logic of activation and imbued with NPM, service provider discretion was limited by a sense of the precarity of their own jobs as well as the precarity of the organizations they worked through. As such, although the findings show moments of resistance and subversion, they also show the disciplinary power of NPM upon service providers. Theoretically, these findings point to the need for further studies that attend to how service level discretion happens within contexts of new managerialism as a means to expand upon Lipksy's original work that occurred in a historically different managerial context (Ellis 2011).

The implications of managerial reforms as a part of activation-based employment services have remained largely opaque to researchers because they cannot be apprehended through traditional sources of information such as formal policies, expenditure data, or outcome measures (Brodkin, 2011). Revealing such implications requires extending upon governmentality-informed textual analysis to examining how policies and techniques are experienced and negotiated in action (Brady 2011; Grundy 2015a; McDonald & Marston 2005). This study supports the contention that employing critical ethnography at the level of service provision is a fruitful way forward to illuminate the implications, and limitations, of the intersections of activation, austerity and NPM. As one example, the findings support questioning the sustainability of systems shaped through NPM and an activation logic which provoke mistrust and uncertainty as opposed to collaboration and shared responsibility, and which require service providers to transgress in order to ensure clients have access to foundational resources (Phillips & Levasseur 2004). In turn, there is a need for further attention to, and dialogue about, the types of partnership and management models that can support positive, collaborative relationships at various levels and more sustainable approaches to addressing accountability (Baines et al. 2014; Phillips & Levasseur 2004). As such, further ethnographic studies of street-level organizations can add to a counter history of activation

(Grundy 2015b) and thereby provide a “foundation for developing alternatives to it” (Brodkin 2011: i.253).

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## **Alternatives to the Low Waged Economy: Living Wage Movements in Canada and the United States**

Bryan Evans<sup>1</sup>

**ABSTRACT:** The forty-years of neoliberal capitalism has been accompanied by an ever expanding trend toward deepening inequality and the expansion of a low wage labour market. The expansion of the non-union, post-industrial, ‘new’ economy characterized by low wage service sector jobs became identified with a deterioration in employment conditions and quality. Employment arrangements, reflecting the new normal, offer not security and adequacy but rather low pay and precarity. Living wage movements, as well as campaigns demanding a higher general minimum wage, have emerged as part of the response demanding economic justice. These movements and campaigns, found both in the United States and Canada, are significantly different in breadth and tactics. Here, those differences are described and interrogated as a function of the uneven terrain of neoliberal restructuring within each country.

**KEYWORDS:** Living Wage; Minimum Wage; Canada; United States; Local

### **Introduction**

The forty-year ascent and normalization of neoliberal capitalism is coterminous with an ever expanding trend toward deepening inequality (Giles 2014; Piketty 2014). The Great Financial Crisis of 2008, and the consequent age of austerity ushered in as states turned to fiscal consolidation once the financial system was stabilized, has contributed to an intensification of this process of economic polarization. In response, living wage as well as campaigns demanding a higher general minimum wage, have emerged as movements for economic justice. This movement

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<sup>1</sup> Bryan Evans is Professor in the Department of Politics and Public Administration at Ryerson University. Email: b1evans@ryerson.ca

is a direct response to the expanding low wage sector in the labour market as well as the political reluctance of governments in both the United States and Canada to maintain the general minimum wage at a sufficient level of purchasing adequacy. Thirdly, and broadly subsuming the preceding point, is that these movements for economic justice are a contemporary response to the dismantling of the political Keynesianism which framed the post-war social contract between capital and labour. And particularly the institutionalization of trade unions as legitimate actors in collective bargaining. The expansion of the non-union, post-industrial, 'new' economy characterized by low wage service sector jobs in much of the Global North but especially in the so-called Anglo-American capitalist economies, became identified with a deterioration in employment conditions and quality. Employment arrangements, reflecting the new normal, offer not security and adequacy but rather low pay and precarity (Freeman, Hersch, & Mishel 2005; Muffels & Luijkx 2008). In the cases surveyed here, economic justice movements find renewed vigour in the aftermath of the 2008 Great Financial Crisis and the roll-out of austerity policy.

### **Workers, Wages and Social Movements: The Politics of Capitalist Accumulation**

The concept of worker 'precarity', if not the actual word, is hardly new. Engels' analysis of the industrial reserve army of labour in *The Condition of the Working Class in England* (1845/1887) is a treatment of the same phenomenon, in contemporary terms, we refer to as precariousness (Jonna & Foster 2015: 22). The reality of work, in industrial working class life, from its 18<sup>th</sup> century origins to the opening days of the post-1945 Golden Age of Capitalism, was characterized by insecurity. Every dimension of working life was marked by fear and anxiety over access to work, predictability of tenure, adequacy of wages, health and safety, access to leisure time, and the possibilities for advancement and acquiring skills (Standing 2011: 10). None of these were a given and, save for those workers in the skilled crafts, such

employment arrangements were indeed the norm. Only with the legitimation and institutionalization of trade unions, the adoption of a range of labour protections via public policy and regulation, as well as the construction of the welfare state in the mid-20th century, was this regime of insecurity overturned, at least for a large part of the industrial working class if not the entire working class. The neoliberal counter-revolution of the 1970s started a process of dismantling of the political arrangements which constituted the core framework of the post-war capital-labour compromise. By the late 1980s it was becoming evident that the glue which made possible a limited working class but unprecedented degree of consumption was dissolving.

A 1990 study by the Economic Council of Canada put an empirical foundation to what everyone was sensing, that good jobs were disappearing and being replaced by lower quality ones. As the report put it, standard employment, that is full-time, 40 hours a week jobs with a degree of tenure, was giving way to non-standard employment, jobs that were part-time, temporary, and provided little or no opportunity for a career ladder (Good Jobs, 1990). Augmenting the direct attacks on labour laws and social protections provided through the state, were the trade and investment liberalization agreements brokered between states. The result was a new international division of labour which facilitated de-industrialization in key sectors of the Global North capitalist economies. In political economic terms, the result was a locking-in of the neoliberal model where the international agreements effectively constitutionalized the terms and conditions of the new order of work and production (McBride 2003; Gill, 1992). That fundamentally state-led political interventions had profoundly re-balanced class power in favour of capital was acknowledged by the International Monetary Fund no less. In a 2015 study, the IMF concluded that the incessant expansion of inequality was a product of declining union strength (Jaumotte & Buitron 2015). Consequently, over three decades or more, the non-standard increasingly returns as standard. What was old is made new. But that applies to the political and legal structures which shape labour-capital relations but not

to the working class itself. The reorganization of the working class into forms of insecure employment is not to be confused with the emergence of a class separate and apart from the working class which the term ‘precariat’ suggests (Jonna & Foster 2015: 22). Living wage movements of the late 20<sup>th</sup> and early 21<sup>st</sup> century are as much an expression of contemporary working class precariousness as were the 19<sup>th</sup> century demands for a living wage. In other words, it is one aspect of the reanimation of the working class as a social movement.

A key question to ask here is do these campaigns for economic justice constitute social movements? Social movements are born of ‘contentious politics’ which emerge “when ordinary people – often in alliance with more influential citizens and with changes in public mood – join forces in confronting elites, authorities, and opponents”. It is the unique contribution of a social movement to provide the capacity to mount, coordinate, and sustain the struggle against powerful forces standing in opposition. The resulting “contentious politics leads to sustained interaction with opponents – to social movements” (Tarrow 2011: 6). Probably the most widely accepted definition of social movements proposes that social movements engage in a series of actions, undertakings or assertions made by individuals through collective action against others. Such collective actions have been expressed in three distinct ways: 1) a sustained, organized public effort making collective claims on the state (a campaign); 2) applying a variety of forms of political action including building coalitions, public meetings, rallies, and demonstrations; and 3) participants’ public representations of “worthiness, unity, numbers, and commitment on the part of themselves and/or their constituencies” (Tilly 2004: 3-4). The key element for comparative purposes is the scope of the movements and the degree of contention raised by the various campaigns.

### **United States: A Case of Post-Industrial Working Class Mobilization?**

The contemporary living wage movement has its origins in the United States. This can be traced to the emergence of an alliance between

religious leaders and community groups in Baltimore, Maryland in 1994. Two decades of deindustrialization destroyed unionized, middle income jobs and left instead an increasingly prevalent working poor (Luce 2012). Where prior anti-poverty movements had failed, the living wage campaign proved to be more effective as it reflected that element of American 'common sense' that those who work should be able to achieve a basic level of subsistence. In political terms, it further filled a vacuum left by the decline of the labour movement which had had its base in manufacturing. Community-based coalitions took hold throughout the United States, comprised of religious leaders, anti-poverty activists, labour unions, academics, and charitable organizations to struggle for a living wage. This resulted in more than 140 cities adopting living wage ordinances throughout the United States in the years following Baltimore's pioneering campaign (Greenberg et al. 2008: 76). These living wage ordinances have limited coverage in that they apply only to city contracts and, in certain cases, firms receiving economic development subsidies. All cities possess the authority to adopt such ordinances covering their own contracting and subsidy guidelines. Again, the scope of coverage – how many workers benefit from such ordinances – can be quite small. In contrast, but still more variable, is the authority for cities to establish wage laws governing private businesses which have no business relationship with the city. In this respect, there are municipalities possessing the legal authority to adopt local minimum wage laws and these have been increasingly passing in the past number of years. In 2015, 14 cities, counties and states approved proposals for a \$15 minimum wage (NELP 2015).

Part of the success of the living wage movement in the United States can be attributed to the authority granted to some municipalities to set their low local minimum wage rates. More than 30 US cities have their own local minimum wage ordinance (Local Minimum Wage Laws 2016). As a consequence, living wage activists in the United States have been able to fight their battles at the local levels. This too, has arguably lent itself to the development of locally-based, grassroots movements,

since the political terrain on which the battles have been waged has largely been local rather than national or even state level (Dalmat 2005). Despite the successes of the living wage movements at the local level, in some states, Governors and Legislatures, have used their authority to override municipal laws and impose bans on living wage ordinances. In the early to mid-2000s, Louisiana and Georgia, among others, intervened in such a way. More recently, in 2014, the State of Oklahoma passed a law banning local living wage ordinances (Bergman 2015). In 2015, debates were held in the state legislatures of Maine, Minnesota and New Jersey on the prospect of imposing a ban on municipal living wage ordinances. In June 2015, Michigan's Republican Governor signed a pre-emption law to stop local governments from adopting their own ordinances. The following month, Wisconsin Governor Scott Walker signed a similar bill in prohibiting municipal living wage ordinances in his state (Velencia 2015). In 2016, the State Senate of Alabama passed a law banning cities and towns from increasing minimum wages. The legislation voided a Birmingham ordinance that would have raised the minimum wage to \$10.10 an hour (Kasperkevic 2016). The impact of this trend towards the use of state power to override the power of municipalities to set wages could have significant implications for the living wage movement throughout the United States.

The living wage movement in the US is broad and dynamic. Of the movements canvassed here it is the most coherently organized and presents a high degree of popular and political mobilization situated in community-based local and regional, i.e. state-level, campaigns. What is particularly important is the significant participation of certain unions in providing organizational and financial support to these movements. Moreover, the broad-based coalitions making up these movements, entail in addition to unions, immigrant rights, faith-based, anti-racism, women's rights, and various economic justice groups. This inclusivity has echoes of the much earlier civil rights movement as well as of the 1930s CIO campaigns to organize industrial unions. In this respect, the American living wage movement has the look and feel of an urban,

racialized, working class struggle for social and economic inclusion. And, what is a core dimension of the US movement is that the living wage and minimum wage demands are not conceptually or politically separate as they are in Canada to as large degree. Indeed, the demand is that the minimum wage, whether the local or the state-wide minima should provide a level of adequacy to constitute a living wage. The “Fight for \$15” (FF15) was launched with a day of protests and walkouts in New York City in the fall of 2012. Hundreds of workers went on a one-day strike and were supported by large demonstrations throughout the city. This was the product of a year of organizing by the SEIU and the community group New York Communities for Change (NYCC) – which was a successor group to ACORN after it was disbanded. The NYCC, with the financial help of the SEIU, collected thousands of low-wage workers’ contact information often by circulating petitions on indirectly related issues such as ‘stop and frisk’ policies and access to low-income housing (Gupta 2013). These contacts were then used to organize meetings, and ultimately to organize the first strikes and actions.

After the successful New York fast food strike, a second round of coordinated one-day strikes and actions were undertaken in the spring of 2013. Instead of just one city, the one-day strikes rotated weekly from one city to the next. Chicago, New York, Detroit, Seattle, Washington, St. Louis and a number of other major centres in the northeast saw strikes. The organizing model remained the same – local organizations often with SEIU money developed contacts and built towards strike actions. The strikes themselves varied in terms of the number of workers who participated, but those who did strike were supported by large local crowds of allies. These allies consisted of union members, especially from the SEIU, local labour councils, religious groups, community organizations like the NYCC, and student activists. Strikers took advantage of section 7 of the National Labour Relations Act, which gives all workers the right to strike for economic reasons without being fired

by their employer (Basic Guide, 1997).<sup>2</sup> While workers had the right to strike, ensuring that workers were not fired subsequently remains a major issue for the campaign. Indeed, in the few cases where workers were fired, allies went into those workplaces and demanded that those fired be re-instated (Croghan 2012).

The spring strikes were followed by a large SEIU sponsored fast food meeting where workers decided to build on their momentum by calling for a nationwide day of fast food strikes in the late summer. The nationwide one-day strike on August 29, 2013 propelled the \$15 minimum wage demand into the national debate. Over 60 cities saw protests and they garnered nationwide media coverage. On the political front, the once seemingly unrealistic demand of a \$15 minimum wage was already making an impact. Democratic Party members of Congress came out in favour of raising the minimum wage to \$10.10 an hour. By November 2013, the President signaled again his support to increase the minimum wage. Earlier, in 2008, as part of his presidential campaign, Obama called for a \$9.50 an hour minimum wage indexed to inflation. Although this was much less than the movement was calling for, the political shift emboldened activists and further highlighted the issue. In Seattle and Minneapolis openly socialist candidates ran for city council in the November 2013 elections on the issue of the \$15 minimum wage. In Minneapolis, the local candidate lost, but garnered 42 percent of the vote. In Seattle, Kshama Sawant unseated the incumbent Democratic Party candidate. At the same time, in the outlying community of SeaTac a ballot initiative to raise the minimum wage to \$15 won. These victories electrified the movement, which held its largest nationwide day of fast food strikes in December, with over 130 cities seeing participation.

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<sup>2</sup> Technically they can be replaced while on strike but must be offered their job back unless the company has found a replacement. Even if that is the case, strikers may seek to be reinstated if they have not found equivalent employment (Basic Guide 1997). The focus on one-day strikes is thus aimed at limiting the ability of employers to replace workers.

The movement continued to grow in 2014. A global day of action for fast food workers' rights took place in the spring in over 30 countries. Two other major coordinated strike days took place in the United States, each bigger and more militant than the last. The SEIU also organized a dramatic march on a McDonald's shareholder meeting in the summer. Building off the movement's success, the newly-elected Seattle councilor Sawant pushed the city council to raise the minimum wage in the city to \$15. Sawant was able to force city council to pass the minimum wage ordinance because of immense pressure from below. Labour and community activists formed a local coalition, "15 Now" in November 2013 to organize around the issue (the movement existed in Seattle before the election, but 15 Now was an attempt to coordinate it on a local level). 15 Now organized demonstrations, hired full-time organizers, recruited hundreds of volunteers and collected thousands of signatures for a ballot initiative all in the hope of exerting political pressure on city council (Figueroa 2014). This effort was ultimately successful in forcing city council to support passing a \$15 minimum wage ordinance.

In the November 2014 elections, San Francisco and Los Angeles passed city ordinances raising the minimum wage to \$15. Numerous other states and cities also raised their minimum wage. Obama raised federal workers' minimum wage to \$10.10 and highlighted the issue of the minimum wage in his state of the union address. The campaign also reached beyond just fast food, as workers in other sectors such as home-care and retail were now taking up the demand. By 2014 the OUR Walmart campaign, backed and launched by the United Food and Commercial Workers (UFCW) union in 2011, in an effort to organize workers at Walmart, had begun to adopt some of the demands of the FF15 (Jamieson 2015). However, in late 2014, Joseph Hansen, the UFCW president who launched OUR Walmart, retired setting off a leadership race resulting in the election of Anthony Perrone who had, in his campaign, questioned the cost of the OUR Walmart campaign given that it had resulted in few new union members. With Perrone's victory, the union decided to scale back the OUR Walmart campaign (Moberg 2015).

In 2015 the movement faced new challenges, while also exceeding their previous accomplishments. New York City raised its minimum wage to \$13 and the announcement was followed by the governor of the state raising the minimum wage to \$15 for all fast food workers and state employees in the state. In all 21 states saw increases to the minimum wage in 2015, some were due to pre-existing laws that tied the minimum wage to inflation, but most were the product of new laws or ballot initiatives (Kasperkevic 2015). The one-day strikes and protests continued in 2015 with two major coordinated days of action in April and in November, which involved more workers and more cities than previous actions (the November date saw actions in 270 American cities). 2015 was also the year that both McDonalds and Walmart shifted from ignoring the protests to making a big show of raising wages for their workers (Dorfman 2015). While these raises were in reality not what the companies made them out to be, they signified that the campaign was strong enough to force concessions from two of the country's largest employers. These victories were followed by a significant labour board ruling in favour of the campaign. In August the NLRB ruled that companies that hire contractors to hire and supervise staff can be considered joint employers. This opened up the possibility that companies using the franchise model would have to directly negotiate with unions. The legal ruling could create the conditions for effective coordinated bargaining in the fast food industry.

While the FF15 continued to grow, the OUR Walmart campaign began to falter. The UFCW had envisioned the campaign as a stepping-stone into a wider unionization drive of the company. OUR Walmart was launched by UFCW in 2011 as an effort to organize Walmart workers. Despite garnering numerous headlines and engaging in big protests, it struggled to organize workers in many communities. The campaign operated on strategy minority unionism, where non-unionized workers, usually a small fraction of the total workforce, would organize together to push back against unfair labour practices and bad working conditions. Mostly this revolved around public protests and non-union worker

strikes. The union, which had poured millions of dollars into the effort, decided to pull up shop and trimmed down its funding and staffing of the campaign (Olney 2015). The remaining organizers shifted the focus of the campaign to a fight for higher wages (thus attaching it to the FF15). The high profile backtracking of the campaign was a major setback for the entire movement. The pace of individual cities passing city ordinances is slowing in 2016. This is because of the election cycle. The major unions involved in the movement, the United Food and Commercial Workers' (UFCW) and the SEIU have focused on the presidential and congressional races. Activists with the 'raise the wage' movement are attempting to turn city ordinances into state-wide ballot initiatives. The Fight for \$15 has been active in protesting and pushing its demands through the presidential primary and found traction with both the Sanders and Clinton campaigns.

### **Canada: Rational Politics Advocacy and Employer Voluntarism**

In Canada the movement looks quite different. Outside of Ontario the Fight for \$15 is largely notional. Some small groups of activists and some labour unions have taken up the struggle, but so far it has remained largely marginal. The victory in Alberta by the NDP and its position on the minimum wage has boosted the prospects of Canadian activists. The federal NDP's platform of having a federal sector \$15 minimum wage also thrust the issue onto the national stage. Unlike the United States there is no workplace aspect to the Fight for \$15. In the U.S. for instance the FF15 is supported by union money and organizers. Because of this the goals of the FF15 in the U.S. are multifaceted: increasing the minimum wage at the legislative level, increasing pay and improving working conditions at large corporations and ultimately trying to achieve union recognition. In Canada no union has really approached the FF15 with the same set of organizing goals when it comes to unionizing or organizing workers in the service or retail sector.

Unions while supportive are not using the Fight for \$15 as a wide scale organizing effort to leverage employers in the service sector. This

reflects the differences of labour law, unfair labour practices and economic strikes can be undertaken in the United States with some protections for even non-unionized workers. In Canada this is not the case. Another major difference is the ability to win legislative fights about the minimum wage at the municipal level. In the United States this is possible, while in Canada it is not. This makes building local movements easier in the US. The living wage movement in Canada is largely divorced from the broader North American movement. In the US, the momentum of the living wage movement takes place through efforts to push through state imposed increases to the minimum wage. In Canada, the NGO, non-profit arms of the progressive movement have for years been pushing an altogether different approach: the idea of voluntary agreements. Outside of some municipalities, this has been wholly unsuccessful at pushing forward a political and social movement to increase the minimum wage.

The first Canadian living wage campaign emerged in British Columbia in 2001. It was organized in response to a provincial government attack on health care sector workers which saw the government cut the pay of 8000 members of the Hospital Employees' Union (HEU) by 40 percent. The union and the BC Office of the Canadian Centre for Policy Alternatives turned to the example of London Citizen's living wage campaign as a means to give greater profile to the need for meaningful wages. In 2006, First Call: BC Child and Youth Advocacy Coalition, started engaging in research into community support for a living wage in British Columbia. The impetus for this research was the momentum of the US living wage movement. First Call partnered with the BC Canadian Centre for Policy Alternatives (CCPA) office to develop living wage principles and a calculation for the actual living wage. This work also included a number of different organizations and individuals in the province. In the fall of 2008 the research report was released and shortly after other CCPA offices began to develop similar living wage principles and calculations for cities in Ontario and the western provinces and organizations started to emerge in local

communities that sought a living wage. In response, Living Wage Canada, a network for all of these different campaigns emerged and has helped to shape and organize the movement across the country.

The BC CCPA, various unions, and community groups came together to establish the *Living Wage for Families Campaign* in 2008, which put forward \$15 as a basic living wage. In 2011, the City of New Westminster, a municipality within the Greater Vancouver Area, became Canada's first government to adopt a living wage policy that requires all firms that are contracted directly or subcontracted by the City to pay a minimum of \$19.62 an hour, nearly double the provincial minimum wage. Soon after, the tiny township of Esquimalt set a living wage of \$17.31, but it has yet to be implemented. In addition, a voluntary accreditation campaign aimed at employers had, by Fall 2015, signed on fifty BC employers. There are a number of living wage campaigns currently in BC. A number of the smaller centres do not necessarily have full on living wage campaigns. Instead, many of these living wage campaigns are within larger anti-poverty campaigns. A number of others simply provide a calculation of the living wage in the region as a comparison to the minimum wage or to illustrate the growing income gap in the province. The areas that have well-established living wage campaigns in BC are Victoria, New Westminster, Metro Vancouver, and Esquimalt.

New Westminster represents the first, and until recently, the only municipality in Canada to have passed a living wage policy. The New Westminster campaign was very organized right from the beginning when it launched in 2009. ACORN Canada, whose sister organization ACORN US has played a key role in living wage campaigns around the US, was based in New Westminster and saw the community as a prime place to attempt to implement a living wage policy in the Metro Vancouver regional area. The campaign approached a city councilor in New Westminster about the possibility of a living wage policy in 2009. The councilor was very receptive of the idea and put forth a motion at city council for living wage to be studied by staff, which was passed by

the rest of council (Keddy 2015). As staff were preparing a report ACORN used its institutional resources to recruit other organizations to join the campaign. Most importantly, ACORN was able to secure the support of the New Westminster District and Labour council, which brought along with it the support of most of the local unions in the area. With a strong team of community partners supporting the campaign, ACORN went about engaging the community, local businesses, city council, and other organizations in order to explain the benefits of a living wage. City staff reported back in April 2010 with a report that did not support adopting a living wage for New Westminster. However, the engagement work that ACORN had undertaken created a ground swell of support for a living wage policy. Two days after City staff presented their report to council, city councilors voted unanimously to ignore staff recommendations and adopt a living wage for New Westminster (Paulsen 2010). The living wage campaign's multi-pronged approach worked; not only did they have support from other organizations and the community, but they also had an ear of a city councilor. These aspects put together made for a very effective living wage campaign.

Metro Vancouver Living Wage for Families campaign was officially launched in 2008 after the CCPA report was released detailing the issues surrounding poverty and the living wage in the province. The campaign is hosted by First Call: BC Child and Youth Advocacy Coalition and is guided by an advisory committee made up of community partners including: BC ACORN, MOSAIC, the Canadian Labour Congress, Hospital Employees' Union, BC Government and Service Employees' Union, BC, Poverty Reduction Coalition, Canadian Union of Public Employees BC, among others (Staff and Advisory Committee, n.d.). One of the main foci of the campaign is to recruit employers to voluntarily pay their employees the calculated living wage. However, the campaign also recognizes that many employers are supportive of the idea of a living wage, but are concerned that paying a living wage would undermine their business viability vis-à-vis their competitors who are not paying a similar wage to their workers. Thus,

the campaign argues that it is “in [the employers’] interest that employers advocate for programs that would ensure that as a society we collectively address the needs of families with children... [Increased public programs] would decrease the income families require from employment, and therefore reduce the living wage” (Richards, Cohen, Klein, & Littman 2008: 37). Thus, it also advocates for change to public policy at the municipal and provincial levels.

The campaign has had success in recruiting employers. Working with other campaigns in municipalities across BC the campaign has been able to certify 50 employers as living wage employers, with 9 of those coming in 2015. That number represents over 6,500 direct employees earning a living wage in BC (The Living Wage for Families Campaign 2015). Moreover, the campaign achieved a major victory in 2015 with the City of Vancouver officially taking the steps needed to become a certified living wage employer. This would represent one of the biggest employers in the province becoming a living wage employer. Although the campaign has not organized any major protests or actions, it does encourage others to become more involved in pursuing a living wage policy by emailing Metro Vancouver City Council members and on-going dialogue with low-wage workers (Spread The Word, n.d.).

In the provincial capital of Victoria, the living wage campaign launched in 2006. It was born out of the original effort to calculate a living wage for the different regions of BC. Unlike other areas of BC where the CCPA has played a key role in launching different living wage campaigns, the campaign in Victoria was launched by, and is led by, the Community Social Planning Council of Greater Victoria (CSPC). Being the capital of BC there is a large union presence in Victoria, however none of the major unions or other labour organizations are involved in the living wage campaign (Living Wage and Living Wage Employers 2016). The two major aims of the campaign are to provide a calculation of the living wage for the greater Victoria area on an annual basis and to recruit private businesses to voluntarily pay their workforce a living wage. In other words, the campaign is voluntaristic in the sense that the

strategy is to convince private business to agree to pay a living wage “out of the goodness of their hearts” rather than pursuing a living wage policy at the municipal or provincial level. As the CSPC explains, its goal is to “conduct outreach activities to inform employers in the Capital Region of the program and how they can become living wage employers” (Living Wage and Living Wage Employers 2016). The outreach activities also include public education on the purpose of a living wage in general and what living wage employers can do to support their employees facing rising costs of living. The campaign has had moderate success in this regard with a number of businesses in the greater Victoria committing to be a living wage employer moving forward.

Esquimalt, near Victoria, passed a living wage motion but has never implemented this. The entire process was started by a city councilor and led by city staff with no other organizations actively involved. There was little campaigning in Esquimalt leading up to the decision to adopt a living wage policy. In August 2010 a city councilor put forth a motion for City staff to report back on the possibility of implementing a citywide living wage in Esquimalt (Minutes Special Meeting 2010). The motion was passed unanimously and City staff reported back in December 2010 with a recommendation that “all full-time, part-time and casual workers for the city” be paid a living wage and “suggested that a policy that included a living wage provision within the tendering process for contracts from private firms be developed” (Keddy 2015). Before city council voted on the recommendation they opened the debate up to public consultation. The response from the public was overwhelmingly negative, and city council retreated from the recommendation and directed staff to work on new recommendations which were less binding and restrictive on local business. City staff reported back that it would be impossible to develop a policy based on the new requirements set forth by council. Therefore, the original recommendations made to council were finally put to a vote in April 2011 (Keddy 2015). The recommendations were voted down by council and the living wage debate died in Esquimalt as quickly as it had started.

To date, there is no local movement attempting to continue the campaign.

In Ontario, there is a similarly strong living wage movement happening in cities and regions across the province. Like BC, the smaller centres have campaigns functioning within larger poverty reduction campaigns. In many of these the living wage work consists of calculating the living wage for the area and comparing it to the current minimum wage. There has been some success in convincing employers to voluntarily adopt a living wage policy. At this point, nearly 60 Ontario employers have done so (Living Wage Employers 2016) and several cities including Toronto, Waterloo, Cambridge and Hamilton either have or are in the process of adopting a living wage policy for the municipality.

Of the three provinces in Western Canada, Alberta is home to the most developed living wage campaigns. The community-based non-profit, Vibrant Communities Calgary (VCC), contributed its resources to establish campaigns across the province. The living wage idea first appeared in Calgary when Vibrant Communities established a Community Action Team in 2003. The Team was essentially a network of other community and labour organizations including the Alberta Federation of Labour, the “No Sweat Coalition”, Calgary Health Region, The Calgary Chamber of Volunteer Organizations, and United Way, and the YWCA. An official campaign was launched with a multi-pronged strategy that included engaging four broad sectors: (1) public (municipal government); (2) private; (3) non-profit; and (4) quasi-governmental (health, education, and post-secondary institutions) (Bulthuis 2007). Although there is the focus on engaging local government, most of the campaign is voluntarism in the sense that the strategy is to convince private business to agree to pay a living wage. The living wage for Calgary in 2015 was estimated to be \$18.15 per hour by Vibrant Communities (Cormier 2015). The campaign has been successful in getting more than 50 local businesses in Calgary to sign on as living wage employers (Living Wage Leaders, n.d.). The campaign came very close to a major victory in 2009 when Calgary city staff recommended that the city should adopt a

living wage policy, however council voted down the recommendation later that year (Living Wage Advocacy, n.d.). It is worth noting that most labour organizations in Alberta have chosen to focus on minimum wage rather than living wage, however Alberta Federation of Labour has given its support to the Calgary living wage movement.

Manitoba has a smaller living wage movement where campaigns are located in Winnipeg, Brandon, and Thompson. The campaigns are a shared venture between the three cities and the CCPA, Social Planning Council of Winnipeg (SPCW), Winnipeg Harvest, and the United Way of Winnipeg. The CCPA calculation determined the living wage was \$13.44 in Winnipeg, \$11.10 in Brandon, and \$11.18 in Thompson (The view from here 2009). The living wage was reassessed in 2013 and these values increased to \$14.07 in Winnipeg, \$13.41 in Brandon, and \$13.46 in Thompson (Jarosiewicz 2013). The goal of the campaigns was to help bring about a large-scale adoption of living wage policies across Manitoba, and the proposed method of doing this is through advocating and lobbying private businesses to “take their fair share” in responsibility rather than look to municipal and provincial government to enact policy guaranteeing a living wage. The campaigns call on business to increase pay and benefits to workers, and help in lobbying the provincial and federal governments to make changes to social transfers to Manitoba. So far, the campaign has not enjoyed success in these efforts as there are currently no living wage employers in the province. Labour organizations in Manitoba do not appear to be willing to support the living wage campaigns, instead they have focused on increasing the minimum wage.

In Saskatchewan a campaign did emerge in 2004 when the Canadian Federation of Students, the Saskatchewan Federation of Labour and the Regina Anti-Poverty Ministry together formed the Living Wage Coalition. However, this campaign was much more focused on increasing the minimum wage in the province as their slogan was: “Make the Minimum Wage a Living Wage!” The campaign has not progressed, however the Saskatchewan Federation of Labour continues to push for higher minimum wages. A new living wage campaign recently emerged

in Saskatchewan and is based in and mostly focused on the city of Regina. The campaign is being spear headed by the provincial CCPA. As with many other Canadian campaigns, the focus is on convincing the private sector to pay their employees adequately instead of directing advocacy efforts at the municipal and provincial governments to enact living wage policy.

In the Atlantic Provinces, living wage movements are only just emerging and have only a small footprint at this point. There are only two emerging living wage campaign in the entire region. One is in Saint John, New Brunswick, while the other can be found in Nova Scotia. The campaign in Saint John is led by Vibrant Communities Saint John (VCSJ). The goal of the campaign is to develop a framework for a living wage (Greater Saint John 2013). This includes participating in research on low waged work and workers – who are they, where do they work and what are the trends (Greater Saint John 2013). Important to note, New Brunswick labour organizations, including CUPE New Brunswick and the New Brunswick Federation of Labour, do not appear willing to lend support to the campaign; instead they have focused on the issue of raising minimum wage in the province.

The Nova Scotia Living Wage Coalition officially launched in February 2015 and led by ACORN Nova Scotia, also includes partners such as the Canadian Federation of Students – Nova Scotia, the Halifax Dartmouth District Labour Council, and Solidarity Halifax. The goal of the group is to obtain a \$15 minimum wage in the province for all workers (Nova Scotia Needs a Raise 2015). The campaign has provincial aspirations, however, the focus has been completely local with the only campaigning happening in Halifax. Interestingly, dating back to 2007, the CCPA's Nova Scotia office had been advocating for a living wage in the province (Jacobs 2007).

Prince Edward Island (PEI) does not have any living wage campaigns operating at present. However, the province does have the PEI Working Group for a Livable Income. This group was established in 2003. The basic goal of the working group is to “influence the attitudes and actions

of the community, employees, employers, and public policy makers around the advantages of a livable income for all people”. The strategies that the program uses in order to pursue this goal include: “writing letters to the editor and opinion pieces, and by making sure that whenever health, the economy, or jobs are on the agenda, in workshops, public meetings or at conferences, livable income is part of the discussion” (Livable Income, n.d.).

Finally, there are no living wage campaigns in Newfoundland and Labrador. That said, the provincial New Democratic Party along with Campaign 2000 and the Community Services Council of Newfoundland and Labrador (CSC) are leading a campaign to raise the minimum wage in the province (Community Services Council 2004). The Newfoundland Federation of Labour has also supported a raise to the minimum wage, however they have not been overly active in advocating or supporting the campaign. The movement has been successful seeing the minimum wage go from \$6.00 in 2005 to \$10.50 in 2015. This may be a reason why the living wage movement has failed to gain traction in the province.

### **Explaining the Difference: Policy and Political Context Shaping Campaign Tactics and Strategies**

What explains the differences observed between the US and Canadian living wage movements and campaigns can in part be found in the structural and policy differences between the two countries. The most obvious factor is the depth and breadth of inequality. Inequality in Canada is, compared to the United States, less severe. The Gini Coefficient is a number between 0 and 1, which expresses the gap between rich and poor, with 0 representing perfect equality and 1 representing perfect inequality. A number of 1 would mean one person has all the income, while everyone else has none, while a number of 0 would mean everyone has the same income. Disposable income simply means after-tax income, after receiving transfer payments. Using both the old measure of disposable income and the new measure, which

accounts for a more detailed breakdown of transfers received and paid by households, as well as a revised definition of household income, including the value of goods produced for own consumption as an element of self-employed income, we find that income inequality has been increasing in Canada and the U.S., but the pace of growing inequality is much more accelerated in America (OECD 2016a). OECD data details that the gap between rich and poor for disposable income in Canada has been increasing over the last decade from 2000-2013, which expressed as a percentage change has increased by 2.2% (OECD 2016a). In the U.S. on the other hand, from 2000-2014, the gap between rich and poor for disposable income has increased by 10.4% (OECD 2016a). What this tells us is that although Canada is steadily becoming a more unequal country, inequality has been growing at an unparalleled pace in the United States.

Another measure is the extent of poverty. The OECD defines poverty as 50% or less of the median of disposable income (after-tax income, after receiving transfer payments). In 2000, poverty in Canada was at 11.4% of the total population, and by 2011 that had expanded to 11.7% according to this measure (OECD 2016b). We find that from 2000-2011 poverty in Canada has increased 2.6% (OECD 2016b). In the U.S. in 2000, poverty was at 16.9%, and by 2012 was at 17.4%, showing that poverty in the U.S. has increased 2.9% (OECD 2016b). This shows that poverty has been increasing in both countries, but that poverty in the U.S. has been growing at a slightly faster level and is more widespread. A key factor affecting wage income and therefore income inequality is the significant difference in trade union density. While trade union density in the Canadian private sector has been declining, it has been doing so at a much slower rate than is observed in the United States. For example, in 1999, union density in the Canadian private sector was 19.9% but by 2015 that had declined to 16.7% (Statistics Canada, n.d.). In the US, in 1999, the density was 9.4% and by 2015 this had fallen to 6.7% (Bureau of Labor Statistics, n.d.). In both countries public sector union density is considerably higher than that in the private sector. However, in Canada,

the density rate is substantially higher at 75.5% in 2015 (Statistics Canada, n.d.) compared to 35.2% in the US (Bureau of Labor Statistics, n.d.). Clearly, unions are faring substantially better in Canada then they are in the US.

Support for the unemployed, both in terms of unemployment insurance and welfare benefits, also provides an indication of how public policy serves the economic needs of those searching for work. Canada and the US offer reasonably similar levels of support to people experiencing unemployment, but some key differences mean that Canada's welfare system prevents more people from falling through the gaps in the safety net. Both countries offer reasonably similar levels of support when it comes to their insurance-based benefits. They differ far more when it comes to welfare payments, which work to fill some of the gaps in the insurance provisions. In both countries, eligibility for unemployment insurance benefits depends on previous time spent in work, measured either by time or earnings. The maximum weekly insurance payment in Canada sits comfortably within the range of maximums that vary across states in the US. Unemployment Insurance maximums are set by states and vary between \$133 in Puerto Rico and \$235 in Mississippi to \$679 in Massachusetts for single people, though the average payment is approximately \$300 per week in 2014 (Stone & Chen 2014). In California, the maximum payment is \$450 per week, while New York's maximum was raised to \$420 in 2014, and Illinois' maximum is \$426 per week for a single claimant. In Canada, the maximum Employment Insurance payout is capped nationally at \$537 per week, which sits at the upper end of the range of payments in the US (Floyd & Schott 2013; Canada 2015), without adjusting for the dollar value differences. It is difficult to identify a consistent, significant difference in the values of support provided by the two forms of insurance.

In both countries, welfare payments are lower than insurance rates, however, these vary at the provincial level as well as the state level. Temporary Assistance for Needy Families payments have generally been

decreasing in value and vary significantly from state to state. For example, TANF in New York tops out at \$789 a month. Washington, South Carolina, New Mexico, California, and Wisconsin all cut their payments in 2011. In 2016, families of three are entitled to a maximum of \$409 in New Mexico, and \$285 in Texas, while many states did not increase their payments (Stanley, Floyd, & Hill 2016). Canada's payments also vary, but tend to be slightly higher for families than payments in the US. Ontario's payments are capped at \$1004 (\$342 for basic needs and \$662 for shelter costs) a month for a single parent family with two dependents under 18. British Columbia's total for the same family unit is \$1035.58, while Alberta's payment maximum is \$826 (Government of Alberta, n.d.; Ministry of Social Development and Social Innovation, n.d.; Ministry of Community and Social Services, Government of Ontario 2016).

While both countries restrict access to insurance support, workers in the US are far more likely to run out of unemployment support than Canadians. Canada's employment insurance is available for between 14 and 45 weeks, depending on regional employment rates, while Unemployment Insurance in the US is available for 26 weeks and can be extended for up to another 20 for people in states experiencing high unemployment. In Canada, the time limit depends on a province's unemployment rate. Once people run out of their insurance benefits, they can turn to welfare payments in both countries. However, unemployed people in the US are far more likely to end up without any entitlement to income support: the US cuts off access to welfare after five years of receipt across a person's lifetime. The five-year period includes any month in which a claimant receives another similar welfare payment, such as the Supplemental Nutrition Assistance Program. States can also implement more severe time restrictions. Both Arizona and New York cap access to Safety Net Assistance to just two years (New York State Office of Temporary and Disability Assistance 2011, 9-10; Schott & Pavetti 2011). California and Maine moved to four-year time limits, while other states including Washington tightened the criteria under

which families could apply for extension policies. In comparison, only British Columbia in Canada places time restrictions on access to welfare. In all other provinces, Canadians can continue to receive welfare as long as they are otherwise eligible.

Many workers, of course, in both countries, are entirely excluded from insurance payments and are likely to need welfare payments if they experience unemployment. In the US, 23.1% of jobless workers were receiving benefits in December 2014, a record low (McHugh & Kimball 2015). A report by the National Employment Law Project highlights research that shows that in the US, “low-educated and racial minority unemployed workers—those who may need financial support most during periods without work—are doubly disadvantaged in accessing unemployment insurance: not only do they report lower application rates, but the unemployed who do apply also report lower rates of receipt” (Gould-Werth & McKenna 2012: 2). Similarly in Canada, many are excluded from accessing Employment Insurance: coverage of Canada’s population has decreased from 96% in the 1970s to about 37% in 2013 (Doorey 2016: 397-398). Both countries also make use of workfare policies, requiring welfare recipients to take the “shortest path to work” (Luccisano & Romagnoli 2007; Mitchell & Herd 2005, 65-66, 72). While both countries introduced workfare as part of 1990s reforms, Mitchell and Herd argue that in Canada, the country’s earlier ‘commitment to community and collective responsibility’ meant that voters helped to steer in governments that acted to dull the harsher aspects of workfare (Mitchell & Herd 2005, 73). Prior to the 1990s, Canada’s welfare provisions were much more generous, suggesting Canadians perhaps have not experienced the harshness of limited welfare for as long as Americans. Unemployment Insurance coverage in Canada, for example, was 96% in the 1970s but dropped to 37% in 2013 (Doorey 2016, 397-398)

Finally, there is a gap in the overall support that unemployed families are provided with in the two countries. Both countries use a tax credit to supplement the income of families with children under 18 who

have limited household earnings. In Canada, families with dependent children and an annual income of less than \$25,921 can receive both the Canada Child Tax Benefit and an extra Employment Insurance family supplement, though provinces can distribute these payments in different ways (Canada 2015). For example, Alberta provides a tax credit to working families only, and a reasonably generous child benefit to all families who earn less than \$41,220 per year (“Alberta Child Benefit (ACB),” n.d.). However, in the US, only people who have earned income are able to receive the Earned Income Tax Credit – and Unemployment Insurance payments or forms of social security do not count as income (“EITC, Earned Income Tax Credit, Questions and Answers,” n.d.). People who haven’t worked in the last tax year are therefore, for the most part, ineligible. People in the US who are going through long periods of unemployment are then likely to be significantly worse off than their Canadian counterparts.

## **Conclusion**

Comparing the US and Canadian campaigns leads to several conclusions. The first is that we might think of them as social movements which employ different tactics and strategies to fit with their respective political realities. Clearly, the US experience is older and takes place in conditions where trade unions in particular and workers’ generally have been subjected to a more intense erosion of capacities to bargain and living standards. Where the US campaigns have been characterized by strikes and protests, the Canadian campaigns have centred on policy advocacy aimed at both employers and governments. A second observation is that in the US, very localized campaigns for municipal living wage ordinances have evolved into state-wide, even national campaigns for a \$15 minimum wage. In other words, the central concern has shifted to the greater coverage offered by a higher minimum wage. Unions have been central to the success of these campaigns in terms of providing organizational and material support. In contrast, in Canada for the most part, living wage campaigns do not seek to merge their demands

with those for higher minimum wages. The two aspects remain distinct. In this sense there is an ideological counter narrative presented in the US which contributes to the mobilization from below.

Overall, the living wage movement in Canada varies considerably. The majority of the campaigns are made up of different community partners, mostly from the non-profit and social justice sectors. For the most part the campaigns are not affiliated with labour organizations, although a few exceptions to this generalization have been noted. Instead, in most of the provinces, the labour movement has chosen to focus on the minimum wage rather than the living wage. There are a few campaigns in different parts of the country that are headed up by the actual municipal or regional governments, however this is only in a few small cases and for the most part these campaigns have been less visible and active. The primary strategy for most of the campaigns in Canada is to rely on voluntary acceptance and implementation where the campaign is anchored around recruiting private businesses to voluntarily pay their employees a living wage. There are a few campaigns that have focused more on municipal government and policy, however these have experienced mixed success.

That said, there are a number of emerging campaigns across the country and the already established campaigns continue to make inroads recruiting private business and lobbying local government. There are no contemporary cases of worker mobilization but rather these campaigns take the form of rational policy advocacy where data is presented, typically in the form of a calculated living wage, and this device is used to engage employers and municipal governments to consider adopting this wage as a matter of corporate human resources policy or, in the case of municipal government, to extend a living wage to direct employees and to those of third party contractors. This is not to say that the Canadian campaigns for economic justice are not social movements but rather they employ the tactics that match the degree of political mobilization that is possible within the moment. Over time, given prevailing employment

conditions, struggles for economic justice in Canada may come to resemble those in the United States in terms of tactics and mobilization.

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## **Does Participatory Budgeting Lead to Local Empowerment? The Case of Chicago, IL.**

Laura Pin<sup>1</sup>

**ABSTRACT:** This paper uses Baiocchi and Ganuza's communicative-empowerment framework to examine a case-study of participatory budgeting (PB) in Chicago, IL. Chicago hosts the longest ongoing PB project in North America: since 2009, the 49th Ward has allocated \$1 million annually through PB. By 2016, the process had expanded to \$6.2 million dollars of infrastructure funding in seven wards. Baiocchi and Ganuza's framework provides a mechanism for examining the relationship between the neoliberalization of municipal government and the growing popularity of PB. I argue that when one considers the empowerment dimensions of PB, the experience of Chicago has been decidedly mixed: limitations in the primacy, scope and reach of the participatory process limit the capacity of PB as currently constituted to function as a democratic challenge to elite policy making in municipal governance.

**KEYWORDS:** Participatory Budgeting; Neoliberalism; Chicago; Municipal Government

### **Introduction**

Participatory budgeting (PB) is the direct allocation of a budget by residents, rather than politicians or bureaucrats. In recent years, PB has spread as a policy practice among North American municipalities, with projects in several cities in the United States, including New York, Chicago, and Vallejo. PB has become popular at a time when the expansion of neoliberal policies has elevated social friction at the

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<sup>1</sup> Laura Pin is a PhD candidate in the Department of Political Science at York University. Email: lpin@yorku.ca

municipal level.<sup>2</sup> While neoliberalization is often theorized as antithetical to democratic endeavors, in contrast, PB is described as a means of deepening democratic practice and empowering residents through deliberative mechanisms. Writing on the spread of PB projects from Latin America to the rest of the world, Baiocchi and Ganuza (2014) discuss a tendency for communicative dimensions of PB to be considered in isolation from empowerment dimensions. They argue this separation leads to a proclivity for treating PB procedurally: PB becomes an end in-and-of itself, rather than a step toward substantive empowerment for participants.

This paper uses Baiocchi and Ganuza's communicative-empowerment framework as a heuristic device to examine a case-study of PB in Chicago, IL. Chicago is home to the longest ongoing PB project in North America. Since 2009, the 49<sup>th</sup> Ward has allocated \$1million in capital funds annually through PB.<sup>3</sup> In 2010 PB Chicago was formed, and by 2016 the process had expanded to \$6.2 million dollars of infrastructure funding in seven different wards. Existing literature tends to focus on procedural aspects of the process, rather than the relationship between PB and resident empowerment. In contrast, Baiocchi and Ganuza provide a framework for examining PB in a way foregrounds the relationship between the neoliberalization of municipal government and the growing popularity of PB. Through their framework, I argue that when one considers the empowerment dimensions of PB, the experience of Chicago has been decidedly mixed: limitations in the primacy, scope and reach of the participatory process limit the capacity of PB as currently constituted to function as a democratic challenge to elite policy making in municipal governance.

This paper draws on survey data of PB participants collected by the University of Illinois, Chicago (UIC), and insights gleaned from three

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<sup>2</sup> Following Peck and Tickell (2002) I use "neoliberalization" rather than "neoliberalism" to emphasize neoliberal restructuring as an ongoing and dynamic process, rather than a static end-state.

<sup>3</sup> All figures are unadjusted US dollars.

months of fieldwork in Chicago, IL., from March to June, 2016. Fieldwork included participant-observation of community meetings, volunteer trainings, voting events, and the annual “writing of the rules”. In addition, I conducted 32 semi-structured interviews with residents, volunteers, staff, aldermen and community activists. The structure of this paper is as follows. First, I define PB and detail how the process works in Chicago. Then, I outline Baiocchi and Ganuza’s communicative and empowerment dimensions, and explain how their framework improves on procedural approaches to PB. Finally, I consider PB in Chicago through a discussion of each dimension of Baiocchi and Ganuza’s empowerment criteria. My argument should not be taken as a wholesale dismissal of PB, which can have important benefits in terms of community building and civic learning, but rather a call to interpret these benefits in relation to the overall context of neoliberal policy governance.

### **What is Participatory Budgeting?**

PB is a process of community decision making where money is allocated by the people who are affected by a budget, rather than elected officials (Pinnington et al. 2009). In North America, PB is typically used to allocate infrastructure funds, giving residents the authority to decide whether to fund park amenities, street re-surfacing, public art, or other neighbourhood improvements, from a ward-level capital budget. Originating in Brazil in 1989, PB was first implemented when the left-leaning Brazilian Workers Party won municipal elections in Porto Alegre. The Brazilian Workers Party hoped PB would make the municipal government more responsive to residents, increase the propensity of citizens to pay property taxes, and more effectively redistribute municipal funds throughout the city (Bräutigam 2004; De Sousa Santos 1998). Since its inception, variations of PB have spread to hundreds of jurisdictions across the world. In Chicago, the process has generally included the following steps: 1) community meetings are held to garner project ideas; 2) a volunteer committee vets project ideas with

staff and determines a list of projects to be included on a ballot; 3) a project expo is held where community members can discuss the merits of individual projects; and finally, 4) voting occurs at the aldermanic office, community centers, schools, and transit hubs. All residents aged 16 or older are eligible to vote, regardless of citizenship or immigration status.<sup>4</sup> What sets PB apart from other forms of community consultation is the extent to which the process is resident driven. Residents, not elected officials or bureaucrats, identify potential projects for funding and make the final decision on the allocation of funds.

PB has grown in popularity at the same time as municipal governance in North America has taken a neoliberal turn. Neoliberalization is the commodification and marketization of spaces that had previously been governed by other logics (Brenner and Theodore 2010). While the logic of neoliberalization is consistent, the implications are variegated, depending on geographic, historical, and social context (Brenner et al. 2006). Proponents may seek to present the marketization of governance as inevitable or merely “common sense”. Nonetheless, neoliberal policy changes are ongoing, and often heavily contested (Brenner and Theodore 2010). In the 1980s, neoliberal logic became dominant in municipal administration, as has been documented by several scholars (for example, Albo 1993; Coulter 2009; Ranson 2004; Peck 2013). Neoliberal shifts towards the marketization of local government include: an increase in municipal service provision by private sector providers; an increase in user-fees and cost-recovery models; an emphasis on individual self-help; the foregrounding of the citizen as consumer; and, a focus on efficiency and lean administration (Albo 1993; Changfoot 2007). These changes reflected a move to value government policies in terms their ability to facilitate the spread of market logics. In Chicago, specific changes have included increased reliance on user-fees for public transit (Farmer and Noonan 2011); the replacement of public housing with mixed income private-sector

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<sup>4</sup> Ward 49 imposes a minimum age of 16 on residents seeking to vote in the PB process. However, some wards in Chicago permit residents as young as 14 to vote in PB.

developments (Lipman 2011); the marketization of public education through charter schools (Lipman 2011); and a subsequent emphasis on policing and securitization to manage the social unrest associated with public contestation of these policy changes (Taylor 2016).

The neoliberalization of municipal government has engendered democratic concerns, as the marketization of public administration has often emphasized the management of the public over the facilitation of democratic participation, particularly when elite interests and public opinion diverge (Addie 2009; Johnson 2011; Masuda, McGee and Garvin 2008). This has made the “roll-out” of democratic projects that position citizens as active participants in municipal policy-making crucial in legitimating neoliberal policy decisions (Addie 2009; Theodore and Peck 2011).<sup>5</sup> Public engagement strategies are strategically mobilized by municipal governments as a means of demonstrating responsiveness to public interests, yet when those interests conflict with elite motivations, research suggests they fail to drive actual policy decisions (Johnson 2011; Masuda, McGee and Garvin 2008).

In Chicago, contemporary neoliberal processes have weakened democratic practices. Housing, transportation, education, and development policies are widely perceived to be controlled by elite interests (Peck 2012; Lipman 2011). When public consultations occur, residents have perceived these processes as little more than legitimation exercises delinked from actual decision-making authority (Lipman 2011). Moreover, Chicago’s municipal budget process is notoriously opaque and there is minimal public budget consultation.<sup>6</sup> In this context, PB is offered as “a powerful example of how deliberative institutions can take hold, provide redistributive and progressive outcomes, and offer novel solutions to urban problems” (Baiocchi and Lerner 2007: 9). In contrast

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<sup>5</sup> “Roll-out” neoliberalism is a term coined by Peck and Tickell (2002) to describe how neoliberalization has entailed the “roll-out” of new institutions of governance.

<sup>6</sup> Chicago holds annual budget forums. In interviews, residents, aldermen and staff indicated that these consultations are poorly publicized, poorly attended, and widely perceived to have no influence on budgetary allocations.

to public consultation, PB is presented as a new form of democracy that vests residents with real decision-making power (Curato and Niemyer 2013; Ecran and Hendricks 2013). To sum up, in Chicago and elsewhere, PB projects purportedly address a set of contemporary democratic problems that have occupied a great deal of public attention in conjunction with the rise of neoliberal policies.

### **The Disjuncture Between the Communicative and Empowerment Dimensions of PB**

Recently, some scholars have questioned the veracity of democratic claims made of PB projects. In tracing the expansion of PB, Peck and Theodore (2015) note that despite the ambitious beginnings of PB in Porto Alegre, in global diffusion the process has become “defanged”. While PB may be “the political equivalent of motherhood and apple pie” (Peck and Theodore 2015: 171), with supporters across the political spectrum, they find its radical democratic potential underwhelming. Similar concerns are raised by Baiocchi and Ganuza (2014), who use a communicative-empowerment framework to develop an explicit set of criteria for assessing PB. Like Peck and Theodore, Baiocchi and Ganuza argue that in its global travel PB has become less radical, but they attribute this moderation to a heavy emphasis on the part of practitioners and researchers on the communicative dimensions of PB, which has led to a relative neglect of the question of empowerment.

Baiocchi and Ganuza’s analysis relies on a differentiation of the communicative and empowerment dimensions of the process. The communicative dimensions concern the internal structure of a PB process, including who participates in discussions, the quality of this participation, and the degree of procedural equity among participants. In contrast, the empowerment dimensions focus on whether PB influences the exercise of political power and municipal decision-making more broadly (Baiocchi and Ganuza 2014). Baiocchi and Ganuza suggest PB in Porto Alegre instigated a pro-poor shift in municipal policy due to the presence of both communicative and empowerment dimensions: PB

precipitated series of institutional reforms that connected popular decision-making to the exercise of political power. In contrast, a purely communicative focus on the structures and procedures *within* a PB project can lead to the instrumentalist application of PB as a technical solution: a “simple process of revelation of individual preferences, adjusting it to the routines and goals set by the New Public Management framework” (Baiocchi and Ganuza 2014: 42).

Concerns regarding the overemphasis of the internal communicative dimensions of PB are borne out in much of the literature. While some research on PB in Brazil has considered PB in light of broader political developments, such as the transition from military to civilian government (for example, De Sousa Santos 1998; Avritzer 2006), this approach is less common in research on PB on North American countries, which has largely taken the political, social and economic context for granted. While there is research on whether PB leads to different project choices than other forms of budgeting (Stewart et al. 2014); research measuring citizen learning through PB (Rossmann and Shanahan 2012; Petite 2014); research on project management in PB (Cabannes 2014); and research detailing the ethnic, racial and income composition of participants (Crum et al. 2013), this work focuses on the internal dynamics of projects and does not discuss PB in terms of neoliberal governance shifts. Focusing exclusively on communicative procedures tends to silo PB projects from broader developments in municipal governance, finance and politics, which are not only important for contextualizing PB, but also necessary to substantially engage with the question of resident empowerment.

By way of redress, Baiocchi and Ganuza suggest researchers consider four specific empowerment dimensions, to assess whether PB projects are connected to centers of municipal power and decision-making. These dimensions are paraphrased below.

- The primacy of participatory forums: are they the most important point of contact between government and citizen?

- The scope of budget issues considered in participatory forums: how much of the budget is disbursed through PB and how important is that part of the budget to social justice considerations?
- The degree of participatory power in the process: are there institutionalized, direct and transparent links between PB and government action that make public officials responsive to PB demands? Do politicians and/or staff retain discretion over the implementation of projects after they are chosen for funding?
- The self-regulation of participatory forums: do participants determine the rules of participation? Are social justice criteria included in the process? And do participatory forums influence government affairs more broadly? (2014: 39).

These four criteria move from assessing the rigor of communicative processes in PB projects to a consideration of how PB is connected to government action. To Baiocchi and Ganuza's four criteria, I suggest a fifth consideration:

- The permanency of participatory forums: are these forums stable, institutionalized policy programs that will continue to exist if there is sufficient community desire and support?

In other words, even if PB is meaningfully empowering in terms of primacy, scope, participatory power, and self-regulation, if the process can be terminated at any time without community input then this curtails the overall empowering effects. The community should have some degree of agency over the establishment and continued existence of a PB process. I now turn to a specific discussion of the political and economic context of PB in Chicago. Then, I consider how well the criteria of participatory empowerment are fulfilled in the case of Chicago.

### **The Political and Economic Context of PB in Chicago**

Chicago is well known for its history of highly autocratic and executive controlled municipal government. For most of the twentieth century, the Democratic Party dominated Chicago's electoral politics

through its political “machine”: an elaborate system of patronage appointments that started with Anton Cermak, elected mayor in 1931, and reached its peak under Richard J. Daley, mayor from 1955 until his death in 1976. Political machines in 20<sup>th</sup> century America often sought to maintain control by structuring the electoral system to reduce electoral competition (Trounstine 2009). In Chicago, the Democratic Party machine used restrictions on independent candidacy and ward redistricting to their advantage, resulting in a city council that was often a “rubber-stamp” for an executive agenda controlled by the mayor’s office (Simpson 2001; Royko 1971). Traditionally, mayoral elections have been relatively uncompetitive. In fact, the 2015 Chicago mayoral election was historic as it was the first time a candidate failed to receive an absolute majority on the first ballot and a run-off was required.

Another way political machines maintain political control is through patronage – the appointment of political allies to municipal staff positions. In relation to Chicago, Stone writes, “...support for machine candidates was not based on issue commitments. The political machine was centrally about patronage” (1996: 447). At its peak, 35,000 municipal positions in Chicago were controlled through the patronage system. Patronage appointees were required to donate money and time to the Democratic Party, and their partisan campaign performance determined their promotion or termination within the municipal civil service (Simpson 2001; Royko 1971). Chicago’s political machine also maintained control of the municipal government through the active disenfranchisement of certain racial and ethnic groups, with white machine aldermen governing predominantly Black constituencies, and city contracting rewarding unions that perpetuated practices of racial exclusion (Simpson 2001; Royko 1971).<sup>7</sup> Chicago’s patronage system only declined in the 1980s after the passing of the Shackman Decrees,

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<sup>7</sup> In Chicago, successive waves of working class immigrants (Irish, Polish, Italian) were brought into the party machinery. The longstanding Black population remained largely excluded, and anti-Black racism played an important role in the machine’s ability to unite non-Black ethnic constituencies (Royko 1971; Stone 1996).

which declared political hiring and firing unconstitutional. As recently as 2014, Chicago's municipal hiring process was under federal oversight, at which point Michael Shakman, whose lawsuit spurred the decrees bearing his name, declared overt patronage not dead but "controlled" (ABC 2014).

The result is that in Chicago there is a long history of patronage relations between aldermen and residents, with personal relationships being the dominant political currency. This has led to heavy skepticism on the part of residents as to the impartiality of municipal government (Simpson 2001). This political heritage has created pressure for new aldermen, especially those without the support of the Democratic Party apparatus, to differentiate themselves from their predecessors and find new ways to build community support and legitimate their policies.

At the same time, over the last twenty years, the City of Chicago has been subject to neoliberal policy changes. Budgetary austerity has led to the elimination of public jobs, reductions in library hours, and cuts to other public services (Peck 2012). Attempts have been made to marketize public transportation through the outsourcing of employment and increased emphasis on cost-recovery (Farmer and Noonan 2011). Tax-increment financing programs have siphoned off public education funding to bankroll private corporations and developers (Farmer and Poulos 2015).<sup>8</sup> The use of charter schools governed by private boards has also expanded (Lipman 2011). Public housing has been replaced by vouchers and mixed income private developments, and many former public housing residents have been permanently displaced from their communities (Lipman 2011; Wyly and Hammel 2000). The impacts of these policies are stratified, with low-income, Latino and Black neighbourhoods most affected by transit under-investment and the

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<sup>8</sup> Tax-Increment Financing (TIF) is a capital financing tool where all increases in property taxes in a designated geographic area are earmarked for "economic development projects". In the absence of a TIF, these funds would ordinarily be available to deal with inflationary costs in other areas of municipal provisioning, including schools. As has been extensively outlined in investigations by the *Chicago Reader*, TIF funds are frequently captured by developers and corporations (Joravsky 2015).

elimination of public housing. The under-funding and privatization of Chicago's public schools also has heavily racialized consequences: less than ten percent of youth enrolled in public schools are white (CPS 2016). Meanwhile, when public reinvestment in transit and infrastructure has occurred, it has been primarily in affluent, white neighbourhoods (Farmer and Noonan 2011; Weber 2002).

In the aftermath of the financial crisis of 2007, budget cuts at the federal and state levels have exacerbated financial austerity at the municipal level. The 2013 federal sequestration process cut \$6 billion from federal transfers to states (Peck 2013). In Illinois, federal budget cuts, in conjunction with a crisis in state revenue, led to a severe budgetary gap that has precipitated a multi-year financial crisis. Illinois completed the 2016 fiscal year without passing budget, with the Republican governor and Democrat-controlled legislature unable to reach agreement on spending.<sup>9</sup> The absence of a state budget has had a significant impact on the city of Chicago, where initiatives jointly funded by the state, including upgrades and maintenance to hospitals, schools, and parks, have been put on hold by the unavailability of state funds.

Considering the history of political patronage in Chicago, as well as recent budgetary austerity measures, it is perhaps not surprising that a populist democratic practice like PB found purchase in Chicago. Alderman Moore first won his Ward 49 council seat in 1991 as a progressive independent Democrat. According to Moore, he became interested in PB after speaking with Josh Lerner, founder of Participatory Budgeting Project at a conference in 2008. According to interviews with residents, after nearly losing the 2007 election in a run-off with a more conservative candidate, there also was an important impetus for creating a policy process that would help solidify his electoral position in the 49<sup>th</sup> Ward at a time when he had declining community support. Residents in

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<sup>9</sup> The Illinois legislature and governor have recently reached an interim agreement, approving funding in July 2016 to last through the November 2016 election period and ensure that K-12 schools and post-secondary institutions have enough revenue to operate until the end of the year.

Ward 49, under the political leadership of Alderman Moore, have used PB to allocate \$1 million in “menu money” every year since 2009.<sup>10</sup> In the municipal budget process, each alderman receives \$1.32 million in discretionary menu funds, of which \$1 million is typically devoted to the PB in wards that use the process. Menu funds are restricted to local infrastructure investments: park improvements, tree plantings, garbage cans, murals, bicycle lanes, local road resurfacing. In the 2015-2016 PB cycle, seven wards participated in a process that included just over 5,000 voters and disbursed \$6.07 million in funds.

### **Empowerment in Chicago’s PB Projects**

Chicago residents who have volunteered with PB projects do cite several positive impacts in survey data and interview settings. These include: increased knowledge of government processes, enhanced understanding of menu money, a heightened sense of community, and demystification of municipal infrastructure spending (Weber et al. 2014; Crum et al. 2013). These positive impacts are not necessarily restricted to the individual level: for example, one of the benefits of PB cited by many residents in interviews was community building through communication and information-sharing across disparate neighbourhoods. Nevertheless, questions remain as to whether resident learning and engagement have translated to local empowerment. In the following section, I consider PB in Chicago in light of each of the five empowerment dimensions suggested earlier.

1) *The primacy of participatory forums.* The first empowerment dimension is primacy: how important are participatory forums as a point of contact between residents and elected officials? Two ways to consider primacy are, first, the extent to which PB serves as the major mechanism for articulating local resident demands to their elected representatives,

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<sup>10</sup> Menu money was created mayor Richard M. Daley in 1995 as part of the municipal budget, and specifically the Capital Improvement Program (Stewart et al. 2014). Menu money is the only funding available to aldermen for local street resurfacing (non-arterial roads and alleyways), and the major source of funding for local infrastructure projects.

and second, the extent to which residents' most pressing neighbourhood concerns can be addressed through the PB process. In interviews with residents and staff, it became clear that the PB process does create an additional channel of communication between residents and the aldermen. Through the collection and cultivation of project ideas in PB meetings, staff can become better informed of community concerns. One staffer cited the greatest benefit of PB as "putting new projects on the agenda" that previously had escaped staff attention. This can lead to creative strategizing beyond the PB process to develop and implement community ideas for projects. For example, in 2016 accessible doors for the local library branch in Ward 49 failed to receive enough votes to be funded. However, in recognition of community concerns over the accessibility of the library, Alderman Moore decided to fund this project through the \$320,000 in menu money not allocated through PB. In addition, although many volunteers with the PB process had pre-existing connections to the aldermanic office, some residents reported in interviews becoming more comfortable and knowledgeable about contacting the alderman's office, findings that are also supported by survey data collected by PB Chicago (Crum et al. 2013).

On the other hand, PB is certainly not the primary link between residents and their local representatives, and has not supplanted lobbying and personal relationships, as the most important mechanisms for allocating resources. While it is difficult to measure informal demand-making channels between residents and their elected representatives, two considerations may assist: first, resident perceptions as to how demands are made and met, and second, the scope of demands that can be articulated within the PB process. In many interviews, residents and staff cited a perception that PB does not replace these other forms of negotiation, but exists alongside them. While Chicago is in a post-patronage era, the adage, "We don't want nobody nobody sent" (Rakove 1979) still holds in many ways, and indeed, was specifically quoted by interviewees as an example of how municipal business is conducted. For example, one resident discussed how a park in a predominantly Black

neighbourhood had won funding for a water feature through PB, but had been waiting for years for the installation of this project. In the meantime, a neighbouring park in a predominantly white area received similar improvements, even though it had no project on the ballot. She attributed this outcome to the other neighbourhood having the alderman's ear. Even in wards with PB projects, residents continue to assert that maintaining a close personal relationship with the aldermanic office determines which residents have their needs met. Second, the scope of demands matter: if residents' most pressing concerns cannot be addressed through PB, this limits the primacy of participatory forums as a link between aldermen and constituencies. Thus, primacy, the first empowerment dimension, goes hand in hand with considerations of scope, which are discussed in greater detail below.

2) *The scope of budget issues.* The second empowerment dimension examines the scope of issues considered in participatory forums, and the importance of this budget for social justice initiatives. PB in Chicago is funded through menu money, which is capital funding financed through bonds. The terms of the bonds restrict its use to local physical infrastructure improvements that benefit the community as a whole.<sup>11</sup> So while enhanced street lighting, road repaving and public park improvements can be funded through menu money, social programming cannot. Moreover, two additional points are pertinent. First, when asked in interviews about the major challenges facing their neighbourhood, residents almost uniformly cited policing and schools. Many also mentioned affordable housing and economic development. In conversations, residents prioritized social programming over infrastructure, but social programming is ineligible for funding through PB as currently constituted. To relate just one anecdote, while volunteering at a polling station, one man stopped to ask where on the ballot he could vote for increased funding for schools. When told that schools were outside the scope of the process, he walked away without voting. Indeed, Chicago has recently been rocked by a series of serious

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<sup>11</sup> Interview with Paul Moody, Assistant Budget Director, City of Chicago.

public protests around the state of policing and the financing of public schools (for news coverage see: Wozniak and Edwards 2016; Wong and Crepeau 2016; DNA Info Staff 2016; Briscoe 2015). Neither of these concerns can be addressed through PB as currently constituted, due to the restricted scope and magnitude of funds.

The limited scope also has social justice implications in terms of resident participation. Several aspects of the process, including permitting youth, undocumented and unregistered individuals to vote are designed to make the process more inclusive. In fact, the Chicago Rulebook specifically foregrounds equity and inclusion as two key goals of the PB process (PB Chicago 2014). In addition, aldermanic staff and PB volunteers face ongoing pressure to grow the process, both in terms of absolute numbers and the participation of marginalized communities. Proportional participation of Latino and Black communities is taken as an indication of success, as is proportional participation of low-income residents and those with lower educational attainment. Community outreach efforts have been both extensive and resource intensive, including hiring translators, establishing Spanish-language committees, hosting meetings in less affluent neighbourhoods, and extending invitations to relevant civil society organizations. Despite these outreach efforts, exit surveys and interviews confirm that PB volunteers are disproportionately college educated high-earners, who tend to be whiter than their neighbours. Survey data indicates that residents with graduate degrees volunteered at or attended PB meetings at twice their proportion of the population, while renters were half as likely to participate in these activities as homeowners (Crum et al. 2013).

The participation gap may be explained by several aspects of the PB process itself that inhibit expansion to more diverse communities. First, the process privileges individuals with significant technical knowledge about engineering, landscape design, and other areas that assist in presenting a technically feasible, persuasively argued project. Many of the participants interviewed were highly educated and cited this as a general trend among volunteers. Second, the beautification projects

favoured by PB – trees, park improvements, decorative lighting, public artwork – often appeal to homeowners concerned with property values as a way of “cleaning up” the neighbourhood. The ownership/renter divide has not only class, but also racialized dimensions in a city where Latino and Black residents are less likely to own their homes and more likely to be denied mortgage loans (US Census Bureau 2011; Martinez 2009). Outreach can only go so far in creating a PB process that addresses the needs of different communities, when these needs fall outside the scope of the process. In the words of one resident: “PB invests in things, not people” which limits its ability to address social justice considerations, including policing, school funding, and economic development.

Taking a broader view, it is possible that PB could be a means for addressing concerns beyond the official scope of the practice if ideas discussed in PB forums are channeled into other processes. However, issues raised in PB forums that fall outside the scope of the process tend to be discarded. In interviews with residents, several volunteers expressed frustration that community input regarding concerns outside the scope of the process was “wasted” when these ideas could be actualized if PB was better integrated with other institutional processes. As currently constituted, PB is limited to the expression of resident demands within the scope of menu funds, leaving highly germane issues like social programming, policing, schools, and economic development outside the process.

3) *Actual participatory power over the budget.* The next empowerment dimension is the degree of actual participatory power over the budget, that is, whether there are institutionalized direct and transparent links between participation and government action, and what discretion elected officials and staff maintain over decisions once they are made. In the case of Chicago, there is mixed evidence in terms of the degree of actual participatory power over the budget vested in residents. Individual PB projects are clearly resident determined, and past research has demonstrated in comparison with aldermanic allocations, the resident-driven process leads to different project

outcomes (Stewart et al. 2014). As outlined in the 2014-2015 Rulebook, all wards hold several “idea collection” events, where any resident can submit ideas, and all ideas are considered by volunteer committees composed primarily of residents (PB Chicago, 2014). Staff may explain the eligibility rules around the allocation of menu funds, but at this point, staff involvement is usually limited to sketching out the more technical aspects and providing cost estimates. Aldermen typically refrain from advocating for specific projects or suggesting projects. In addition, residents have sometimes created elaborate mechanisms to try to ensure a fair and comprehensive process. For example, Ward 49’s “streets committee” visits every street in the ward to assess the need for street repaving and then creates a priority list, in an effort to ensure an impartial process.

However, as already mentioned, many resident projects generated during idea collection are not included on the ballot because they are deemed to be outside the scope of the use of menu funds. In addition, staff can use the scope of the process as a means of shutting down more creative or unusual projects. For example, projects that involved decorative bike posts, library carpeting, and public murals, although technically within the scope of menu funds, have all faced barriers from city staff, including delayed cost estimates, and/or onerous insurance requirements. At times, difficulty obtaining a cost estimate has prevented projects from being included on the ballot. Moreover, while usually staff and aldermen do not interfere with project selection, there is at least one report of a project receiving enough votes to be funded, but being rejected by the alderman who declared it had “accidentally” made the ballot. In other instances, even residents on the volunteer committee were confused about how the projects for the ballot were chosen, describing the aldermanic office as making the final decision. Resident-driven and transparent decisions around which projects make it onto the ballot are of crucial importance, because projects only have an opportunity to be funded if they appear on the ballot.

The absence of institutional support also fits with a broader neoliberal trend towards the downloading of government responsibilities to individual citizens and retraction of the state from many areas of public provisioning (Brown 2003; Addie 2012). If residents can be tasked with determining a local street repaving schedule, identifying neighbourhood infrastructure needs, and arbitrating among these needs, with minimal involvement from municipal staff, then this is a fundamental shift in the role of the government. PB relies on extensive volunteer labour, with some paid support from aldermanic staff, but minimal support from municipal staff. Indeed, there is no full-time dedicated staff person in the municipal budget office, Parks District, or Chicago Transit Authority (CTA) with responsibility for providing technical support to PB projects.<sup>12</sup> The absence of direct institutionalized links between participants and municipal staff makes residents dependent on the aldermanic office for information about projects, and reduces the transparency of the PB process.

4) *The self-regulation of participatory forums.* The fourth empowerment criterion examines the self-regulation of participatory forums – do participants determine and govern the rules of the process, and to what extent is there general participatory influence over the municipal government? In the case of Chicago, rulemaking within the constraints of the PB process is very much controlled by residents. With the assistance of PB Chicago, an annual “writing of the rules” meeting is held, with representatives from each participating ward, to discuss changes to the rules governing the process, including timelines, resident engagement strategies and other best practices (PB Chicago 2014). The resulting discussions are taken back to volunteer groups in the wards for further discussion before any changes are voted for at the city-wide working group. However, participants do not determine the amount of

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<sup>12</sup> There is one staff person in the municipal budget office theoretically responsible for providing some support to PB projects. However, their role on paper seems over-stated: although this person provided some technical assistance to aldermanic staff, they were largely absent from the day-to-day work of the process.

funding subject to the process, and cannot broaden the scope to include projects beyond local infrastructure improvements, because as a form of debt-financed funding, ultimately the terms of the bond agreements dictate the use of menu money. The demands of residents are subordinated to the interests of bond holders. To sum up, within the constraints of menu money, the rules of the PB process are resident determined, however, the scope of the process is subject to rigid limits enforced by the rules that govern the City of Chicago's menu funds.

The second part of this empowerment dimension concerns the general reach of participatory influence over the municipal government as a whole. Scholarship has suggested that a key positive consequence of PB projects is a cultural shift in terms of an enhanced participatory ethos around other processes of municipal governance and demand-making (Curato and Niemeyer 2013; Avritzer 2006). In Chicago, however, PB does not appear to have created an environment of heightened legitimacy for resident demand-making and public input around other municipal budget processes. Chicago has a history of executive controlled budgeting processes. In the 1950s, Mayor Richard J. Daley removed budgetary responsibility from council as part of his concentration of power in the machine-dominated executive, and important expenditure decisions have typically been made through backdoor negotiations and informal channels (Simpson 2001; Weber et al. 2015). In interviews, when asked to discuss public participation around the Chicago municipal budget, residents, staff and aldermen stated it was very limited or non-existent. Even aldermen described the municipal budgeting process as "opaque" and lacking clarity in terms of how and where budgetary allocations are determined. Indeed, one alderman with experience in the state legislature noted he was "shocked" by the comparative lack of input from council in the mayoral budget. Another alderman noted that the current mayor had held a few public forums on the budget, but since these were mostly taken up by protestors, they were not useful. Residents who had participated in mayoral consultations stated that the mayor did not make eye contact, appeared to be "zoned out" and/or would not permit

“political demands”. These statements by interviewees indicate a persistent divide between “productive” resident engagement through PB and social protest, where PB has not necessarily engendered respect for popular demands made through other avenues. In a global overview of PB projects, Cabannes notes that, “Remarkably, those in municipal government who are responsible for the “participatory budget” have, with a few exceptions, very limited information about the municipal budget” (2004: 33). His observation holds true in the case of Chicago, where PB has not engendered greater transparency around the municipal budgeting process more generally.

5) *The permanency of participatory forums.* The final empowerment dimension is the extent to which these forums are stable, institutionalized policy programs that will continue to exist if there is community support. The PB process in Chicago is not institutionalized, meaning there are no mechanisms in municipal bylaws that require aldermen to engage in PB, or continue these projects once they are established. The consequence is that regardless of community or resident support for the process, PB projects in Chicago exist at the discretion of the local alderman. Without justification or explanation, aldermen can, and do, cancel these projects if they feel they take too much staff time or do not lead to a desirable allocation of local infrastructure resources. The 5<sup>th</sup> Ward, 22<sup>nd</sup> Ward and 46<sup>th</sup> Ward all briefly experimented with PB before cancelling the process. In the case of the 22<sup>nd</sup> Ward, the alderman cancelled the PB project without formally informing past volunteers of this decision, some of whom had started preparing for the next cycle. This points to the lack of control residents have over the continuation of the process, as well as the limited capacity for PB decisions to contravene aldermanic objectives.

### **Concluding Thoughts**

The City of Chicago has a proposed \$9.2 billion dollar operating and capital budget for 2016, a level of funding that dwarfs any disbursements through PB. But while a minority of the Chicago city

budget is disbursed through PB, in participating wards most of the local infrastructure funding is subject to the process. Considering this funding longitudinally, however, local infrastructure funding is declining. Menu funding has been frozen at \$1.32 million since 1995, while the cost of infrastructure has risen significantly over this period. For example, in Chicago the cost of repaving a city block in 2016 was approximately 2.5 times what it was in 1995. The magnitude of funds available for local infrastructure improvements has been declining when inflation is considered.

In a neoliberal context of declining investment in public infrastructure, and increased public funding being shifted toward private developers, for example, through Chicago's TIF program, PB risks becoming a forum for residents to make difficult budget decisions for elected officials. Rather than a uniform standard of basic public infrastructure, residents now vote on which streets receive upgrades to lighting or paving, or which parks have functional amenities. Unsurprisingly, this tension is greatest in the neighbourhoods with the greatest needs. In Ward 22, a low-income area of predominantly Latino and Black residents, the alderman cited an inability to meet basic infrastructure needs as a reason he stopped practicing PB.<sup>13</sup> The alderman stated that he could not support "boutique" projects like community gardens and murals, when streets were becoming unusable. Indeed, most PB projects are clustered in the northwest part of the city. These neighbourhoods vary in terms of income and racial composition, but none of them are part of the largely Black, historically disenfranchised, southern part of the city, that has been chronically underinvested for decades.

This paper has discussed PB in Chicago, arguing that to assess whether PB leads to community empowerment, it is important to situate these projects in terms of the broader social, economic, historical, and political context, including trends in municipal governance and municipal budgeting. Using Baiocchi and Ganuza's (2014)

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<sup>13</sup> Ward 22 had held PB votes in 2014 and 2015 but discontinued the practice in 2016.

“empowerment dimensions” as a jumping off point, this paper has considered whether PB in Chicago has led to local empowerment. In the case of Chicago, PB largely falls short of resident empowerment, especially in terms of the primacy and scope of the process: as currently constituted, residents’ most pressing concerns cannot be addressed through the PB process. While volunteers cited positive community building effects of participation, including information-sharing with neighbours, evidence is limited as to whether these social connections have the potential to translate to collective organization outside the PB process. Moreover, the municipal budgeting process, where many crucial decisions are made regarding social programming, continues to be elite-driven and insulated from resident influence. Despite the limitations of PB in a context of urban neoliberalization, this discussion also suggests how the PB process might be structured to more substantially empower local communities. If the scope of the process were expanded to include social programming or a greater magnitude of funds, PB could potentially wrest some components of the mayoral budget from elite control. Most promisingly, there have been recent discussions about how to expand PB to Tax Increment Financing funds, including a 2014 pilot project in West Humboldt Park.<sup>14</sup> It remains to be seen, however, whether there is sufficient political appetite to expand the process beyond ward-level infrastructure funds.

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## **Against Housing: Homes as a Human Life Requirement**

Jeff Noonan<sup>1</sup> and Josephine Watson<sup>2</sup>

**ABSTRACT:** The paper argues that human beings have a need for homes, not just housing. When this claim is unpacked at the proper level of complexity, it becomes apparent that the dominant mode of struggle for a right to housing is inadequate. Not only does the struggle for the right to housing operate at a level of abstraction removed from the material demands of need-satisfaction, it also fails to specify exactly what a right to housing is a right to. The paper explains the three dimensions of the need for homes (the physical need for shelter, the social need for a space in which one feels at home, and the political need to participate in struggles and movements that lead to the satisfaction of the first two dimensions of the need for homes). The paper concludes with a brief discussion of the practical implications of the political-philosophical claims.

**KEYWORDS:** Rights; Needs; Homelessness; Social Determinants of Health

### **Introduction**

More than a century ago, in 1844, Friedrich Engels observed that working class housing was, “badly planned, badly built, and kept in the worst condition” (Engels 1969: 106). He traced the privations the working classes suffered directly to the way in which housing markets allowed unscrupulous landlords to prey upon workers’ need for space. Since workers had a need for housing but lacked the ability to pay for high quality accommodations, landlords exploited their need by making

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<sup>1</sup> Jeff Noonan is Professor of Philosophy at the University of Windsor. Email: jnoonan@uwindsor.ca

<sup>2</sup> Josephine Watson is a clinical nursing Instructor at the University of Windsor. Email: jwatson@uwindsor.ca

profits from renting deplorable hovels. Workers were crammed into “desolate, small, wretched huts, with no comforts whatsoever” (Engels 1969: 290). Workers were *housed*, one might say, but they lacked human *homes*. Later, in 1872, Engels published *The Housing Question*, in which he observed a direct link between poor health and housing among the working classes: “the so-called “poor districts” in which the workers are crowded together are the breeding places of all those epidemics” (Engels 1872: 24). What Engels demonstrated was that the problem of homelessness was not simply a problem of not having a roof over one’s head, but also of not having access to *homes*.

Despite the many changes that have occurred since Engels’ early observations, the crisis of homelessness still persists, even in the world’s wealthiest countries. Estimates put the number of men, women, and children in Canada who experience homelessness at varying intervals and durations each year at 300,000, but we also know that many more Canadians who migrate to urban areas suffer from inadequate housing and shelter. On any given night, 35,000 Canadians will be absolutely homeless (Gaetz, Gulliver, & Richter 2014; Stock 2016). But as Engels argued, homelessness means more than absolute lack of shelter. Approximately 40% of people renting in Ontario have difficulty affording their space, while over 150,000 households in Ontario are on waiting lists for affordable housing, the average wait time being about 4 years (Monsebraaten 2016; Advocacy Centre for Tenants Ontario 2016). Yet under the flag of austerity, governments have stopped building public housing and cooperatives and have instead returned to a more or less unregulated real estate market to provide the “incentives” for private landlords to solve the housing crisis. As in Victorian Manchester, so too today: private landlords and developers have not solved the problem of homelessness, but left those who cannot afford to pay for living space out in the cold. When there is no political commitment to affordable housing, people become homeless. As a study conducted by one of the authors in Windsor confirmed, a primary reason for homelessness is lack of income. Forty-eight percent of the participants reported not having

permanent housing due to inability to pay (33% receiving monies from Ontario Works (OW) and 100% receiving monies from Ontario Disability Support Program (ODSP) (Watson, Crawley, Kane 2016 ). However, inability to pay market prices does not mean absence of the need for the good of which one is deprived.

The need for homes, as opposed to housing, i.e., a mere roof over one's head is, we will argue, three-dimensional. It involves, first, the physical need for shelter. This physical need is combined with a second, psycho-social need for domestic space under one's own control in which one is not only sheltered but "feels" at home. Finally, in conditions where many people are deprived of homes, a third, political dimension opens up, the need to participate in struggles and movements against the structural forces that generate homelessness, i.e., to help satisfy one's own needs through one's own individual agency in concert with others who together manifest the collective agency needed to solve problems democratically.

This needs-based approach to the problem of understanding the legitimacy of struggles for homes contrasts with the dominant rights-based approach. Typically, the struggle for homes has been and still is interpreted as a struggle for the human right to housing. While we do not disagree in any sectarian way with this approach, we will argue that the full implications of the struggle for homes are better understood from the standpoint of the principle that human beings *need* homes, not rights to housing. The needs-based approach better explicates the complexity of the life-value of homes and better illuminates the structural causes of homelessness. By better illuminating the structural causes, the needs-based approach points more clearly to what must be done to solve it: not struggles to secure a legal right in the abstract, but to take back urban space from control by capitalist developers, to make it truly public space in which the home-deprived can participate in the satisfaction of their need for homes. While our argument is not designed to shape short-term government policy or solve the nightly problem of homelessness, we do not think that it is without practical significance. Of course, in making

this distinction between houses and homes, and specifying that the human need for housing is really a need for a home in the sense given above, we recognise that in emergencies the bare physical minimum is better than the alternative. When there is a fire, it is necessary to call the fire department. But social criticism and transformative change go beyond putting out immediate fires. They must also think of fire protection (addressing the systemic causes) and engineering new materials that are fireproof (providing a permanent solution to the problem). That means, in the case of homes, freeing land, building materials, and architectural and construction labour from their subordination to capitalist real estate markets and the appropriation of all urban space by for-profit development.

Our argument will be divided in three sections. In the first, we will briefly distinguish mere housing from homes and argue that the human need for homes is more complex than the mere physical need for shelter. This examination will set the stage for a more detailed explanation of the political differences between needs-based and rights-based struggles to solve social problems, and an argument about why only a needs-based approach can solve the problem of homelessness in its full complexity. In the final section we will draw our analytical and critical arguments together by making some general, although still practically relevant, political conclusions regarding the overall significance of struggles against homelessness for the future of a democratic alternative to capitalism.

### **Homes, Not Housing**

Our political argument turns on the claim that a needs-based approach to the problem of homelessness exposes important shortcomings of rights-based approaches. The first step to substantiating this claim is to explain the politically relevant sense of “need” and the full complexity of the human need for homes. In any use, the idea of need is connected to the idea of necessity. When one says they need something, they are asserting that unless they have access to that thing, they will not

be able to complete some goal or project. However, there are qualitative differences between the sorts of projects human beings can pursue. The qualitative differences are distinguished by the kind of necessity that characterises the project. If I want to watch the baseball game, I need a television or a computer, but there is no necessity to my having to watch the game, in the sense that nothing essential to my life and well-being is lost if I do not watch it. People sometimes speak in hyperbole and say: “if I miss that game, I will die.” Since they go on living, it is obvious that they do not literally mean what they say.

However, there are things that we do need in this exigent way. If we are deprived of oxygen, or nutritious food, or water we *will* die. Thus, when we say we need food in order to live, we are not saying that we have a contingent need for an instrumental input into some project we could pursue or not pursue, but rather that our being able to access that good (or another which meets the same requirement) is a matter of absolute necessity (assuming only that we want to continue living). When we use the term “need” in our argument it is in this exigent way. We follow the definition worked out by John McMurtry: “N is a need, if, and only if, and to the extent that, deprivation of n always leads to a reduction of organic capability” (McMurtry 1998: 164). *These* needs, in contrast to what one might call instrumental needs relevant to a given contingent project, are non-optional *life-requirements* because, if they are not satisfied, the person suffers objective harm in the form of loss or reduction of the human life-capacities to think, move, feel, relate to others, and act as a social self-conscious agent. The harm is objective in the sense that it cannot be overcome simply through changing one’s self-interpretation. If I *feel* harmed because I missed the ballgame, I can revise my self-interpretation to convince myself that watching baseball is a waste of time, so that I was better off missing it. But if my brain is damaged by oxygen deprivation, I cannot revise my self interpretation to make that brain damage disappear.

McMurtry’s definition recognizes degrees and different concrete forms of harm. Not every form of deprivation leads to death or serious

cognitive impairment. Moreover, human beings are *integrally* natural and social, which means that we have a more complex set of needs than other animals, who for the most part require only physical inputs to maintain their health. Human beings have raw physical needs like oxygen, but they also have psycho-social needs, like loving attention; we have basic organic life-requirements like water, but also political needs like being able to participate in the determination of the laws we will be compelled to obey. Elsewhere one of the authors has developed a systematic account of the full range of fundamental human natural and socio-cultural needs, but it would take us too far afield to repeat those arguments here (Noonan 2012: 46-88). Instead, let us content ourselves with the general point that in the case of our physical needs it is our health that is impaired if we fail to meet them. In the case of social, political, and cultural needs, failure to satisfy them impairs the development of our social-self-conscious agency. Since it is obvious that human beings have the potential to become social-self-conscious agents, that is, *subjects* capable of determining their own goals and projects, harm to our social self-conscious agency is a real and objective harm, analogous to the organic harms that result from the deprivation of our physical needs.

When we turn now to homes, the need for them has three inter-related dimensions: a physical need for *shelter*, a psycho-social need for a home as a dwelling space for personal freedom, and a political need to participate in the processes by which homes are obtained and built. We will discuss each element of the complex need for homes in turn. Deprivation of our need for shelter causes a myriad of health problems. We can explicate the complex set of health problems homelessness causes through the social determinants of health. These are the social and economic conditions which shape lives and determine the health of individuals and societies in so far as they regulate the availability, quality, and quantity of social and economic resources that people need as social-organic beings (Mikkonen & Raphael 2010). We use them to help explain the damages that homelessness causes because they have revolutionized

the field of public health by politicising it. They break public health out of an abstract biologicistic conception of health and its conditions by revealing, a) that the incidence of disease is not only a function of pathogens, but overall life-conditions; b) that inequality of access to key social determinants negatively impacts health; and c) health is not simply optimal organic functioning but a holistic capacity to act as a free subject in which physical and mental capacities, social opportunities and biological functions are integrally united.

The social determinants of health model emerged as researchers sought to explain how experiences of daily living conditions in contexts of structural inequality of access to basic life-requirement satisfiers influenced the health of individuals within a population (Mikkonen & Raphael 2010). The term “social determinants of health” was first used by Blane, Brunner, and Wilkinson (1996) who were expanding upon then Canadian Minister of National Health and Welfare Marc Lalonde’s, *A New Perspective on the Health of Canadians* health field concept (Health and Welfare Canada 1974). Since 1996, the actual social determinants of health have been variously theorized in academic literature and numerous national and international policy documents (Rootman & O’Neill 2012). Access to homes has been identified as an independent variable for poorer health outcomes and is thus a key social determinant of health (Mikkonen & Raphael 2010). Lack of adequate and safe housing and the experience of material and social deprivation contribute to increased stress that affects physical and psychological health. (Galabuzi 2009). Health complications are associated with long periods of stress, especially when individuals feel that their ability to control their situation is threatened and limited. As Lippert and Lee (2015) confirm in their study of coping, stress, and mental health among homeless people, it is the cumulative stress that impacts psychological health most dramatically. Empirical research has established beyond a shadow of a doubt that cumulative stress causes heart disease, diabetes, and chronic illnesses (Marmot & Wilkinson 2006; McEwen 2004; Mikkonen & Raphael 2010).

When we look at homelessness through the lens of the social determinants of health, we can understand the true damage it causes to people's life and well-being. Let us return to Watson's study (which was rooted in the social determinants of health model) in order to substantiate these claims empirically. The broad aspects explored in this study pertaining to housing were: age when first homeless, number of years homeless, reasons for not having permanent housing, educational level, employment history and income. The earlier homelessness began, the more severe the negative impacts on physical, psychological and social development, because children and youth are especially vulnerable to the health consequences of the material and social deprivations involved in homelessness. The people in her study reported the following medical diagnoses: dental problems (33%), cardiac (29%), respiratory (24%), Hepatitis C positive (24%), HIV positive (5%), and foot problems (3%); psychological diagnoses most prevalent were anxiety (57%) and depression (52%). Forty-eight percent of the participants reported both anxiety and depression. While it may be easy to calculate medical and psychological diagnoses through self-report, it is not so easy to calculate the health toll on an individual's overall ability to realize their life-capacities in conditions of social and material deprivation. The study found that all the participants experienced social exclusion, which diminished their ability to access quality social supports (they felt ashamed), increased risky behaviours (especially drug use), and compromised physical and psychological health. Participants described various forms of marginalization, for example being restricted from shelter use due to substance abuse history (Watson, Crawley, Kane 2016).

As important as the physical dimensions of human beings are, we are not just bodies with physical needs, but thinking-feeling agents who interpret and evaluate the physical spaces in which we live and discriminate between places in which we "feel at home" and places in which we feel like strangers. A shelter, let us say, is the material basis out of which homes are built, but homes depend upon feeling at home in the shelter in which one dwells. If you couch-surf at a friend's place you are

sheltered, but if you do not feel at home, the *psycho-social* need for a home has not been met. Hence, there is a difference between being sheltered and having a home. Henri Lefebvre makes the point eloquently: “*Dwelling*, a social and yet poetic act, generating poetry and art work, fades in the face of housing, an economic function. The ‘home,’ so clearly evoked and celebrated in the work of Gaston Bachelard, likewise vanishes: the magic place of childhood, the home as womb and shell...Confronted with functional housing, constructed according to technological dictates, inhabited by users in homogenous, shattered space, it sinks and fades into the past” (Lefebvre 2014: 766). Just as the unemployed, in order to live fulfilling human lives do not need (as the mantra goes) “jobs” but meaningful, non-alienated labour, so too, the homeless, to satisfy their need in a fully human way, do not need “housing” (i.e., any shelter whatsoever) but homes. That is, they need a private space within social space in which they *feel* at one with the space. Feeling at home enables people to gather themselves, reflect, relax, and renew themselves for the hard business of living.

In social contexts in which a significant number of people are deprived of homes as both shelter and as dwelling space, a third dimension of need opens up: the political need to be engaged in movements to overcome (or at least mitigate) the structural causes of deprivation. Human beings have political needs to participate in the determination of the forces and laws that structure their own lives because they have the capacity to become subjects, self-determining social self-conscious agents. If we were nothing but the objects of natural and social laws and forces, there would be no need to participate in the determination of those forces and laws, because we would lack all capacity to shape them. We keep our cat safe and secure, but we do not consult her about the household budget, because she lacks the capacity to participate in a meaningful discussion of alternative priorities. But human beings do have the capacity to participate in political discussions, and if we are deprived of the opportunity to satisfy the need to help shape those forces that shape our lives, we are harmed in our social self-

conscious agency. This harm takes the form of alienation, exploitation, and oppression. This point is relevant to the problem of homelessness because it means that merely providing housing for the homeless (shelters, public housing) without involving them in the satisfaction of their needs might solve the problem of shelter, but leaves unaddressed the deeper dimension of oppression, because it leaves the need-deprived in the status of mere objects of benevolent social policy and not (as the non-need deprived think of themselves) self-determining agents who satisfy their needs through their own individual and cooperative efforts. In order to understand this point more fully, we must shift to examine the political differences between a rights and needs-based approach to solving social problems.

### **The Political Implications of Needs-based Struggle**

As with most other major social problems, the dominant approach to the solution of the problem of homelessness is to remind governments that housing has been recognized as a human right and to demand that they make good their rhetorical commitment to human rights in general by allocating funds to build affordable housing. In the case of housing, Article 25(1) of the *Universal Declaration of Human Rights* asserts that housing is a human right, as does *The International Covenant on Economic, Social and Cultural Rights* (1966/1976). In 2007, Miloon Kothari, United Nations Special Rapporteur for the Right to Adequate Housing reprimanded Canada for its homelessness crisis and for not fulfilling its obligations to the covenant.

In February 2016, Canada was again criticized by the UN agency responsible for monitoring enforcement of *The International Covenant on Economic, Social and Cultural Rights* (1966/1967) for its lack of progress in solving the problem. The report criticised Canada for the “absence of a national housing strategy; inadequate housing subsidy within the social assistance benefit; shortage of social housing units; increased evictions related to rental arrears; increased numbers of homeless and lack of homelessness prevention; shortage of emergency

shelters; laws that penalize people for being homeless; lack of adequate housing for people with psycho-social and intellectual disabilities; and the poor housing conditions of Canada's indigenous peoples" (Monsebraaten 2016). We of course concur with this criticism of decades of government inattention to the growing problem of homelessness, and do not disagree, in any dogmatic way, with the appeal to the right as a tactic of shaming governments into resuming their responsibilities for public investment in affordable housing. However, we want to argue that if access to housing is a right, it is a right because human beings have the sort of complex need for homes discussed in the previous section. If we accept that a) people have this complex need for homes and b) that it is *systematically* ignored by the normal operation of real estate markets and government policy, then c) it follows that homelessness is a structural problem of the normal operations of the socio-economic system, which prioritises profitable investment over need satisfaction. Since, as we will now argue, rights are also a normal part of this same system, they cannot, on their own, solve the problem of the unmet complex need for homes. Thus, in order to understand the limits of a rights-based solution to the problem of homelessness, we must understand the role rights have historically played in capitalism, and in order to understand the role they have played in capitalism, we must think of capitalist society not only as a functional economic system, a mode of producing and distributing commodities, but also as a value-system which legitimates its way of producing and distributing commodities *as good* for those who live within it.

Few if any societies have ever reproduced themselves solely on the basis of coercion, force, and overt political violence. Human societies, even the most oppressive, typically appeal to sets of norms that determine for a given socio-cultural system what is good and what is bad, and identify their social system with the unique conditions that allow that good to flourish (McMurtry 1998: 15). The threat of force against opponents is thus *legitimated* by appeal to the good that opponents threaten to ruin by their oppositional activity. If a majority can be

convinced of the legitimacy of the value system, they will comply with its demands, making the need for overt violence unnecessary, and also creating citizens who will protect the integrity of the system against opponents, even in cases where, objectively speaking, the opponents make demands which are in the interests of the citizens. Liberal-democratic capitalist societies are unique in the history of social organization for building in self-correcting mechanisms in the form of means of legitimate protest and social change. Rights have, since the eighteenth century, been essential to this self-correcting mechanism. The rights of citizens establish that which citizens may legitimately demand of their governments, and the formal procedures of democratic politics are the accepted means for pursuing these protests. In one sense, the legitimacy of protest and opposition represents a great historical victory over alien and oppressive political and social power. It comes, however, with built in limitations.

Marx was the first to understand the systematic limitations of citizenship rights as the political means to achieve the social conditions for human freedom. In *On the Jewish Question*, he demonstrated that the condition of granting citizenship rights was their separation from the “private” economic sphere. In the political realm people are considered equal citizens, but this equal citizenship did not entail material equality in the sphere of production (Marx 1977: 153). On the contrary, in the sphere of production other laws prevail: the laws of self-interest, pursuit of individual advantage, and the distribution of income and advantage according to market forces (Marx 1986: 43). While the development of social rights in the twentieth century ameliorated to some extent (in the wealthiest capitalist countries) the gross deprivations of the Industrial Revolution and Victorian capitalism, they do not contest the dynamics of the capitalist system as a whole, its prioritization of private profit of comprehensive and universal need satisfaction, or legitimate the mobilization of oppressed and exploited and alienated themselves to transform the structures that cause systematic need-deprivation in the first place (Wood 2002: 130-1). As evidence, consider that explosion of

inequality in the late twentieth and early twenty-first century, which did not require the formal revocation of any citizenship rights, but used political tactics to weaken the power of workers to resist and protect their interests by intensifying competition between them for jobs and investment.

Where market forces are allowed more or less free play, the prices for a given commodity can rise beyond the ability of a large number of people to pay for it, with the result that, in cases where the commodity is a life-requirement, people are harmed because they are deprived of that which they need. When this structure of deprivation obtains, the deprived have three general alternatives. On the one hand, people can be left to suffer the consequences of their deprivation, as the homeless typically are today. On the other hand, governments can use public policy to meet the need, *as they define it and to the extent that they feel it is necessary to present themselves as champions of people's rights and to maintain social stability*. This alternative is clearly better than the first. Still, it is distinct from the third, which occurs where the need-deprived mobilize themselves, define the extent of their needs and what they regard as adequate means of satisfying them, and demand access to the resources that would be required to satisfy them. The various direct action struggles that the Ontario Coalition Against Poverty has organized over the years to combat homelessness in Toronto (especially the occupation of empty buildings) is a small but significant example of the sort of movement we have in mind. Let us now contrast the implications of rights and needs-based approaches to the problem of homelessness.

The first point to note is that the right (to housing, in this case) is asserted as a counter-claim against the logic of production for profit, but it does not contest the legitimacy of the value system whose normal outcomes – society-wide deprivation – it tries to correct. Just as in the case of the constitutions of liberal-democratic states, the Universal Declaration of Human Rights also recognises the right to private property, without distinguishing personal property for use from universally required life-resources. Where the latter: land, water,

minerals, productive apparatuses, and labour power are allowed to become private property, the products of their combination determined by considerations of profitability, and the acquisition of those products determined by ability to pay, there will always be crises of need-deprivation, as the history of capitalism attests.

The problem is that the appeal to the right to the need-satisfying good is met by a counter-appeal to the right to dispose of private property as the owner sees fit. The right of the home-deprived to public housing is met by the counter-right of those with capital to dispose of it as they see fit in projects that return profit to themselves. Where moral obligation is understood in the language of rights, duty extends only so far as other people's rights over us. Where private property is a legal and accepted institution, individual rights to the goods that will satisfy their needs do not extend to other people's personal property. If I am hungry and you have a sandwich, I have no right to half. The structure of moral obligation becomes a problem when private property extends to the control of basic natural resources and vast pools of social wealth, such that one group's holdings prevent other groups from satisfying their needs. Those groups will have no legally actionable right against those who have (legitimately, within the rules of the game) acquired that property, and thus will not be able to satisfy their needs *just by acting on their rights* because their right does not override the opposed rights of private property.

Right is met by right in this contradictory way because the "rights-ground of social morality" has co-evolved with the capitalist mode of production (Noonan 2006: xvi-xvii). A ground of social morality is the basis of legitimate claims on social wealth and natural resources. In capitalism, rights (legally actionable entitlements) serve as the basis of legitimate claims on social resources. However, these rights come in two forms: the right of exclusionary private property in life-resources represented by money, and the right of universal life-requirement satisfaction of those systemically deprived of needed goods. The problem, from a practical perspective, is that if there is to be public provision

legitimated by appeal to people's needs, there must be funds for public provision, which can only be acquired through taxation. Those with surplus wealth will resist paying higher taxes and legitimate their resistance by appeal to their right to private property. Moreover, if there are economic forces (such as those unleashed by globalization) that create pressure to reduce marginal tax rates on the rich, then funds for public investment can dry up, without there being any formal violation of anyone's rights under the rights-ground of social morality, since it does not specify which of the two countervailing sets of rights are to win in any conflict, but rules out extra-legal struggle to resolve them.

In these sorts of cases, democratic progress depends upon the mobilization of social forces against exclusionary rights to private property. In these cases, a different social morality is brought into play, the social morality of need-satisfaction. Where the structure of rights blocks access to needed resources, it becomes a means of legitimating objective harm. Since it allows the harms of need-deprivation to proceed unchecked, its own legitimacy comes into question. Its legitimacy is challenged by social movements which do not appeal to authorities or experts to satisfy their rights for them, but draw on their own social power to secure access to and control over the resources that they need to satisfy their own rights. This form of organizing is consistent with the master democratic norm of self-determination, and is, in fact, the only way that needs can be satisfied in an empowering, as opposed to paternalistic, way.

To put this crucial point another way, only a needs-based social morality exposes the real problem with the capitalist value system: it subordinates the life-value of goods and services to their money-value. The basic life-value of any good is the contribution that it makes to the satisfaction of non-optional needs (McMurtry 1998: 164). When life-value is subordinated to money-value, people can be deprived of that which they need and the economy still judged good, because the basis of judgement is not the satisfaction of people's life-requirements, but return on investment to the owners of capital. Such is the case with housing

markets as currently constituted. Hundreds of thousands of people cannot afford homes, but if house prices are rising, the markets are judged good by those who profit from them. Occasionally (as with the Vancouver foreign buyers tax) governments will intervene to cool markets in order to prevent the emergence of bubbles and the deeper social problems they can cause, but this sort of regulation is distinct from a structural solution to the homelessness crisis.

Putting the problem in terms of life-requirement deprivation also highlights a second limitation of the rights-based approach. The Universal Declaration asserts that housing is a right, but it does not further define the conditions that count as satisfying that right. All rights-statements tend to be programmatic and abstract. A discussion of human life-requirements, by contrast, cannot be carried out without reflection on the nature of the life that has the requirements. In other words, it is never enough to assert that “x is a life-requirement,” one must always unpack the life-value of x in relation to human life to explain just what it is that x contributes to life which, if absent, would cause harm. We tried to provide this complex unpacking in the case of the need for homes in Section One. If we content ourselves with the assertion that ‘housing is a right,’ it remains an open question what is required to satisfy the right. Does any sort of ‘roof over one’s head’ constitute satisfaction of the right? Are the rights of social assistance recipients housed in motels while they await public housing violated? There is no straightforward answer to these questions if we focus only on the right to housing, because it does not explain why it is that human beings need housing, beyond the obvious that we require shelter. When the need-deprived mobilise to explain just what they need, and demand the resources to satisfy that need through their own labour and intelligence, this problem disappears because they tell everyone exactly what they require to satisfy their need.

### **The Struggle Against Homelessness: General Implications**

The orthodox neo-liberal solution to the housing crisis through market-incentives to developers not only has not solved the problem, it ignores completely the voices of the homeless. Although it does not concern people who are completely without homes, but rather working class people living in public housing and vulnerable to market forces, the example of the on-going re-development of Regent Park in Toronto illustrates this point clearly. The left-liberal press has trumpeted the re-development of Regent Park, Canada's first social public housing development, as a great success. Starting in 2002 the Toronto Community Housing Corporation [TCHC] committed to the revitalization of several social and public housing locations and Regent Park became the most celebrated experiment. The introduction of condominiums to turn what had been a low-income, ethnically diverse working class community into a mixed income neighborhood was sold as serving the interest of the original residents, even though they were never fully consulted on the plans, much less involved in their realization.

In her critique, August *does* allow the voices of those who were displaced during the redevelopment of Regent Park to speak, and they were not supportive of the project. When they were asked, residents reported only minimal consultation from housing authorities. Moreover, they expressed the fear that if they spoke out against the redevelopment they could lose access to the housing that they needed. August described a sense of powerlessness among tenants of Regent Park to resist what they could see were not benevolent forces of social improvement but rather the market power of gentrification bent on displacing them to make room for higher money-value developments. As she explains, "residents were given the option of moving directly into brand-new off units, rather than (old) temporary locations units. Tenants who did this, however, gave up their right to return to a replacement unit in the redeveloped RP" (August 2014: 1327). Conveniently for the re-developers, the physical displacement of the original residents changed the cultural value of the neighborhood. From being perceived as a dangerous slum, it now appeared as yet another hip new urban space, a

change which encourages further displacement of the original residents as more and more wealthier people feel safe enough to move to what would formerly have been a no-go area for them.

The fact that residents were encouraged to leave leads Stefan Kipfer and Jason Petrunia to interpret the redevelopment of Regent Park and analogous projects elsewhere as a move to “re-colonize” public space by and for market forces that drives the “re-vitalization agenda.” They argue that “property, class, and race are first articulated by strategies of recommodification: privatising land ownership and socializing the risk of private investment in redevelopment efforts. The Chair of the Toronto Community Housing Corporation (TCHC) praised the project...and declares Regent Park ‘open for business.’ Public land is to be leased or sold to developers...Two prime city blocks, which now constitute prime obstacles to the gentrification of the east downtown district, are being reconnected to real estate markets with the prime objective of maximizing land rent. In the words of housing company Chief Executive Derek Balantyne, Regent Park is ‘prime real estate that will draw higher-income people’ ” (Kipfer and Petrunia 2009: 122). When the individual and collective agency of the exploited and oppressed is ignored, and their “needs” defined for them by the agents of market forces, they become mere instruments of those forces: useful to the extent that they can be exploited, and obstacles to be removed when they cannot.

The significance of this example for the struggle against homelessness is as follows. Human beings are not automobiles who simply need to be sheltered from the elements, they are integral bio-social beings who need a space in which they feel at home, which is under their control, and which they have played an active role in procuring. For the homeless, this need takes the form not only of the need for homes, but the political need to participate in the struggle to provide homes for themselves. Hence, there can be no complete solution to the problem of homelessness that does not engage the individual and collective agency of the homeless themselves. While Canada certainly needs a national housing strategy and massive re-investment in public housing, this

strategy and re-investment cannot repeat the approach of the post-war era, which focussed exclusively on the social need to house people, and not the complex need that human beings have for homes. Satisfying that need takes more than low-cost apartment buildings, it requires that the home-deprived themselves participate in the satisfaction of their human needs for homes.

One very small scale example of the type of participation we have in mind started in Toronto a decade ago under the leadership of the Parkdale Area Recreation Group. It was able to acquire and empty building with the assistance of the Ministry of Housing. Homeless Parkdale residents, many of them psychiatric survivors, then helped renovate the space as well as draw up a constitution defining the rules by which residents would abide (Noonan 2006: 245-6). By helping to create the space they would inhabit and collectively determining the rules of living there, empty physical space became a home: a psychic space felt to be free and safe and regulated not by the impersonal forces of the market but to self-conscious values of the people who lived there. As the PARC example show, homes need not be walls that separate people from each other. The walls of a home are not so much exclusionary in a pernicious sense as material conditions of free self-determination of one's living environment.

The PARC example is very small, to be sure, and cannot be a universal model for the satisfaction of the need for homes. If the underlying forces driving homelessness in Canada's major cities today are the skyrocketing real estate values that make investment in condominium construction preferable to low-cost rental accommodation, and if these forces are driving what Kipfer and Petrunia called above the re-colonization of public space by private developers, the systematic solution must involve protecting and extending public space. Struggles for the "right to the city" must become struggles to reclaim urban spaces from the forces of privatization and their constructive use to satisfy the complex need for homes that we have defined (Harvey 2012: 24). The immediate form that struggle takes is a struggle for

expanded and democratized public services. Implicit in such demands is, as Carlo Fanelli recently argued, the system-changing demand for “non-commodified labour and services...housing, public transit, community centres, and other social services” (Fanelli 2016: 79). If that claim is true, then it follows that the demand for democratized public services is, at least implicitly, a struggle against the domination of human life by market forces, and therefore the domination of human beings by other human beings who control the resources from which private wealth is produced and amassed. This struggle, to be *ultimately* successful, must not only influence government policy and increase public spending, it must begin to re-appropriate universally required resources and democratise public institutions so that both serve the fundamental purpose of need-satisfaction, for the sake of enabling all people to realise their life-capacities in projects that are both individually meaningful and socially valuable for other people. That struggle – to create a society in which social wealth was used to satisfy needs and work was the non-alienated expression of our intellectual and creative capacities – was once called the struggle for socialism. Whatever one wants to call it today, the mass deprivation of so basic a human need as the need for homes shows that Canada very much needs a renewed such struggle today.

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# Interventions

## Austerity Governance and the Welfare Crisis in Montreal

Pierre Hamel<sup>1</sup> and Grégoire Autin<sup>2</sup>

### Introduction

In Montreal, the challenge of austerity is modulated by the way the local state is undergoing a process of restructuring<sup>3</sup>. The divisions of power between federal, provincial and local components in the Canadian federal system, subject to the Constitution, leave municipalities with few options outside of finding acceptable compromises with the provincial government. This is because “municipalities in Canada have *no* autonomous, local and democratic constitutional standing. They have a constitutional position within the realm of the provincial omnicompetence” (Lightbody 2006: 39). As a consequence, collaborative governance at the local level is not something new. Even though a stark division between the different tiers of the state regarding the emergence of an austerity regime prevails, a varied picture of it is given by social and economic actors.

But why do opponents have difficulty in organizing against governmental policies and discriminatory measures around the neoliberal ideology of austerity? On a general theoretical level, the hypothesis we would like to explore is the following: based on a Weberian understanding of capitalism described as “slavery without a

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<sup>1</sup> Pierre Hamel is a Professor in the Department of Sociology at the Université de Montréal. His current work focuses on public debate and deliberative democracy, as well as social movements and collective action. Email: pierre.hamel@umontreal.ca

<sup>2</sup> Grégoire Autin is a PhD student at the Department of Sociology at the Université de Montréal. He works on social movements, alternative practices and prefigurative politics. Email: gregoire.autin@umontreal.ca

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master”, one should not forget that “from an ethical standpoint, it [capitalism] can be contested only as an institution, not on the level of economic actors’ personal behaviour” (Löwy 2013: 107). We think that this can help understanding why opponents of the neoliberal ideology of austerity, as elaborated by the Quebec Liberal party, have difficulties in organizing for blocking governmental policies and discriminatory measures coming from austerity policies. Based on a series of interviews,<sup>4</sup> this article highlights the difficulty of combatting austerity measures implemented by the Liberals since their return to power in 2014 at the provincial level. This difficulty pertains mainly to what austerity really is, how blurry its consequences really are, and how fragmented the different actors are in challenging austerity among themselves.

Austerity is before all an ideology. If the practical and negative consequences of it are mentioned, most of the time, the assessment of its consequences are most difficult to grasp. However, this remark should not erase the divisions between, on the one hand, actors directly related to the management of public infrastructures and/or the promotion of the business milieu – including government officials – and on the other hand those coming from the voluntary sector, community organizations and the labour movement.

In Montreal, the position taken by the local authority has been driven by ‘opportunism’, reflecting the configuration of power relations among the actors having a say in local politics. These circumstances must be reconciled with what has been going on at the two upper tiers of the state. On one hand, the recent Federal election of October 2015 brought Justin Trudeau and the Liberal Party of Canada to power, introducing a major shift in federal policy about public debt and public spending. The

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<sup>4</sup> Between October and December 2015 we did 11 interviews with public sector community workers and activists, trade unionists, public managers, one elected official and a representative of a pressure group linked to the business milieu. We also followed the political debate around austerity issues in Canada. This debate has taken a new orientation since the federal election with the coming to power of the Liberal Party defending a pro-Keynesian type of approach.

newly elected government thus replaced the Conservative Party who had been in power for almost ten years (from February 6, 2006 to November 4, 2015) with the mandate of restraining growth in public expenditures and pursuing a policy of austerity, and instead adopted a Keynesian approach. On the other hand, at the provincial level, the Québec Liberal Party, in power since April 2014, has set as its task reducing the provincial budget deficit. Once in power, Premier Philippe Couillard decided to implement drastic measures for cutting expenses in health care and education systems, welfare programs and salaries of government employees. Instead of qualifying his policy as one of austerity, he preferred to say that his approach was characterized by “rigour” (*rigueur* in French).

The meaning and impact of austerity thus largely depends on which tier is implementing those policies. This makes it even more difficult to appraise the effective consequences of public austerity measures, especially if we go beyond narratives and representations, and pay attention to effective policies, programs and projects. In that respect, local representatives, as it may happen in other federal systems (but to what extent?), have to play one upper tier of the state against the other or, when possible, collaborate with both of them despite the presence of conflicting dominant ideological beliefs.

### **Meanings of Austerity**

Austerity is a notion with an abundance of meanings, even though it is fraught with a strong neoliberal connotation. Everyone was well aware of this reality among our respondents. Beyond this, a majority of them expressed a real concern when it comes to the repercussions of policy measures adopted in the name of austerity towards the poor and/or households with low paying jobs. In the case of trade union representatives, austerity is an occasion to continue the fight against those who are well positioned in the economic system. Thus, a trade union representative did not hesitate to combine it with the deterioration of public services, but also with the slogan coined by the Occupy

movement in reference to the one percent. In that respect, it is necessary to combat austerity:

“(...) Of course I see this as a necessary struggle to put an end to this, this type of politics, so that we can aim for the well-being, the common well-being, instead of enriching a single community” (Montreal-TU1-F).

Several respondents shared this principle. Even if they do not agree from the outset about the most efficient strategy to overcome the negative repercussions of austerity measures, they nonetheless express similar concerns about its main issue. There is no doubt, not only on the side of the more vociferous left but more largely on the political spectrum, that austerity coincides with a conservative vision of society. In that respect, according to a planner working at the city-regional scale:

“Austerity, it’s (...) a conservative approach which aims at reducing public administrations’ costs (...) and justifies an economic context or using an economic context as a pretext to impose this kind of public policies. But it is a choice. It’s wrong to say it is objective. It’s a political choice. Fundamentally, it’s a conservative political choice” (Montreal-PM3-M).

Nonetheless, in that respect, austerity needs to be contextualized. As a community worker recalled, talking in terms of austerity when facing major government deficit and debt ratios is one thing, and much different from the one encountered in Quebec.

What is at stake here is clearly the promotion of a different vision of the state, in comparison, for example, to the “Quebec model” – a social model of development – elaborated during the so-called ‘Quiet Revolution’. Ultimately, what should the state look like?

“If you ask me what is, for me, austerity, relating to my culture, my background, it’s a different vision from that of the State. We want more space for the private sector. We want to change things. We want to reduce the size of the State, but this is not because of an economic crisis

situation or in front of some urgency (...). We really have a different vision of what the State should be. What should social politics be?" (Montreal-VSE2-M).

The idea or the project of reforming the state is not recent. In fact, it has been observed in most Western countries since the middle of the 1970s. At that time, the legitimacy given to the state for the regulation of modern societies seemed already functionally inadequate or unable either to fulfill expectations of social mobility or to meet successfully a number of social demands. The first signs of shortness of breath of a "state-centred" model of governance were already occurring (Hamel & Jouve 2006). But those were only the first steps of a long journey for state restructuring, one that has not been completely achieved.

The current situation – the one prevailing since the Quebec election of the Liberal government of Philippe Couillard – is the continuation of a tradition of liberal influence, carrying out a reading that the state is oversized, while overtaxed citizens are at risk of being attracted to a populist discourse. This is the thesis elaborated by the economists Micklethwait and Wooldridge (2015) who wrote *The Fourth Revolution. The Global Race to Reinvent the State*. Inspired by their thesis, Couillard came to power with a mission to reinvent the Quebec state. As he mentioned in his inaugural speech as Premier: "International experience shows that simple austerity without structural reforms and growth measure can slow down the economy and worsen the situation" (quoted by Dutrisac 2016). From then on, his intention was not only to implement a culture of "rigour" as he liked to say – instead of referring to austerity as such – but, in a more daring manner, to transform in depth the nature of the state. As such, it is not simply a passing policy but a more profound historical process of restructuring the state.

*Where Does Austerity "Bite"?* At the outset, one has to keep in mind four points. First, in comparison to other North American cities in terms of economic dynamism, Montreal is trying to catch up as is revealed by standard indicators like the high rate of immigrants' unemployment in comparison with non-immigrants, or the weak rate of

university graduates per capita.<sup>5</sup> Nonetheless, one can say that Montreal is currently experiencing an economic catching-up (Institut du Québec 2015). Second, the erosion of Montreal's position within the Canadian economic system was aggravated by difficulties of adaption to the new economy, causing a lack of job opportunities for new immigrants. Thirdly, Montreal remains a liveable city and this is due to a mix of several elements: a) the peaceful cohabitation of diverse communities (Germain and Rose 2000); b) the strong vitality of its civil society including the community and/or voluntary sector; c) the presence of a distinctive and original cultural life that was originally fueled by linguistic divide. Fourth, one can mention the presence of lesser social inequalities in comparison to other Canadian provinces (Desrosiers 2015). And this is due to the presence of stronger social policies, including more redistributive ones.

Taking these several elements into account, can we better understand how social actors are able to face austerity policies and austerity measures? The main narratives link austerity measures to the 2008 crisis. In the case of Canada, the banking system was less vulnerable than in the U.S. and was therefore less hard hit by the crisis. However, as the Canadian economy is largely entrenched in what is going on south of the border, indirectly the impact of the U.S. financial crisis was still felt in Canada, especially in tourism. On the whole, there was no direct relation between the financial crisis of 2008 in the U.S. and major cuts in Canadian social programs or public services. Up to November 2015, it was more the neoliberal type of orientation taken by the Harper

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<sup>5</sup> However, such a representation, defining cities as a collective actor proves misleading. Indirectly, this is suggested by regime theory where elite or dominant actors are defined as being able to impose a specific urban regime, or to exert their hegemony over urban development perspectives. Such a vision should be criticized. At the same time, this critique must be qualified. Urban milieus can become creative places and this is related to synergy between a geographical environment and individual competencies. In that respect, a particular city has necessarily a unique personality due to historical and cultural factors. See Gunnar Törnqvist (1985).

government at the federal level – based on ideological principles – that was a concern, largely in tune with the position taken by the Couillard government since he came to power.

### **The Process of State Restructuring and its Multiple and Fragmented Consequences**

Austerity and welfare reform in Montreal, in Quebec and in Canada is an ongoing issue that dates back to the crisis of the Welfare State as it has occurred or been deployed in OECD countries since the middle of the 1970s. As Pierre Rosanvallon (1981) has correctly underlined, this crisis is before all a legitimacy crisis. For that matter it is particularly difficult to grasp, especially in a federal context like Canada, where responsibilities are divided between the two upper tiers of the state. In addition, as mentioned previously, even though municipalities are subordinated to provincial powers, their direct and indirect responsibilities regarding welfare are growing. This can be explained less by internal factors inherent to the Canadian federal system than through globalizing trends bringing the local scene in the forefront of economic and social transformations.

Nowadays, the repercussions of the Welfare State crisis are highly diversified depending on reference groups. But few dimensions of the Welfare State have remained the same. Even the principles of social solidarity underlying the ideal model for the provision of social protection are no longer quite what they used to be. In that respect, the *problématique* of governance can highlight the deadlocks of this model or at least some of the aspects. In this regard, even if this is difficult to assess in a very specific way – and in the short term – a number of respondents have mentioned that the lowest income households and/or individuals were the most severely affected by the austerity measures and policies taken by the Liberal provincial government following its election in 2014. This is mentioned in reference to areas like social assistance, housing conditions, health and education, but also in connection with public services generally speaking. In these areas, the decision to cut

investments and/or jobs – particularly regarding the provision of personal services – necessarily has consequences in the short or medium term on those who are most vulnerable.

What occurred in these areas took different paths. It ranged from a reduction of budgets for Centers for Early Childhood (CEC) to a decline of investments in voluntary sector or community groups, to new rules for financing those who are eligible for social assistance program, and offering new working conditions to the workers of the public sector, asking them to “do their part” for reducing the public debt of the provincial government. But it included also some transformations in the management of public services through the abolition of social representation mechanisms. Incidentally, it has been the case in the health system, in terms of regional cooperation and local economic development.

What should also be taken into account is the major restructuring of employment. Work conditions are increasingly precarious and this is a direct consequence of a reorganization of the economic system at a local and global scale. As mentioned by one respondent involved in the labour movement, it is becoming more and more difficult for workers:

“Montréal was effected at different levels. Firstly, many people lost their job. Secondly, there’s a high percentage of workers here in Montréal with precarious jobs who were affected by the crisis. This crisis further threatened their work conditions. (...) From the top of my head, I think that 41% of the workers in Montreal live under the poverty line” (Montreal-TU1-F).

It is a well-known fact that Montreal – starting with low paid workers and single parent families – is deeply affected by poverty. And this poverty is highly concentrated in low-income neighborhoods, even though the same is observed in the two other largest Census Metropolitan Areas (CMAs) in Canada: Toronto and Vancouver.

Nonetheless, it is in Montreal that this concentration is higher. This was documented in the national household census of 2011:

“Montreal had the greatest number of low-income neighborhoods. Of all 478 low-income neighborhoods in Canada, 35.8% or 171 were in Montreal. Toronto and Vancouver accounted respectively for 15.7% and 7.1% of these neighborhoods. The three largest CMAs accounted for 63.1% of the low-income population living in low-income neighborhoods. Of the total 656,000 low-income persons living in low-income neighborhoods, Montreal had the highest share (34.3%), with Toronto having 19.7% and Vancouver, 9.1%. A similar picture emerged for the very low-income neighbourhoods, even though the ranking changed slightly (...)” (Statistics Canada 2011: 6).

This situation has persisted over many decades, dating back to the 1950s and 1960s. It is related to the difficulty of integrating the labour market, but it is also linked to the opportunity of finding available housing since gentrification processes – even if gentrification is much less pervasive than in Vancouver or Toronto – are changing the social and ethnic composition of neighborhoods.

According to one of our respondents working as a volunteer with a community group in the environmental sector, these ongoing transformations related to gentrification have dire repercussions on local populations in terms of increasing poverty:

“I’ve been working since 1984 in Saint-Henri [a working class neighbourhood]. What we saw was, first of all, a change in the population. There have been no notable new constructions to start with, which is not the case in other neighborhood. However, it is visible, there has been something like a change in the population. The question is: what happen to those with little income? Here we’re not only talking about those benefiting from

the welfare. People in general, small workers, minimum wage workers who cannot afford to live in this neighborhood because land values go up and landlords sell or rent to richer tenants. So there is a displacing of the traditional population. This is not a new phenomenon but it has probably increased” (Montreal-VSE1-M).

The system of social assistance prevailing in Quebec – and this is applying for people living in the Montreal city-region – support individual and/or households who are no longer receiving the employment insurance benefits or who are out of work for diverse reasons. Following his political discourse and orientation towards austerity, the Couillard government has decided to reform the welfare program. But as one community worker underlined, it is still difficult to predict what will come out of it:

“We have to see what will happen concretely. I don’t know. It’s not the first time. Cuts in social and welfare programs and reforms in employment incentives have been announced for the last 20 to 25 years. It never worked. They never really went all the way to the end of this logic either. I’m not convinced it will work this time...It’s difficult to say because, paradoxically, the Liberals introduced measures for the underprivileged. During Charest’s era, for example, we increased the Family Allowance. (...) We could be surprised at one point. I believe they’re sufficiently capable and intelligent to stop the underprivileged from suffering the worse repercussions. They can choose to increase their levels of income even if this negatively affects the middle classes (...)” (Montreal-VSE2-M).

For the time being, according to the minister François Blais responsible for this, it seems that this specific reform – draft Bill 70 that has not yet

been adopted by the National Assembly – should finally be less harmful for the poor than initially planned.

In this respect, the minister has mentioned that the negative impacts will not effect more than 3 to 4% of welfare recipients. This is at least what one journalist reported:

“Every year, there are 17 000 new job seekers. This program could ‘offer more’ with a work integration or back-to-school plan for example. Allowance would be higher but there would also be “the possibility for penalties if they don’t follow the plan”. “What is important is the existence of consequences. I will take the OCDE’s expressions: moderate but strict, so people get a new job as fast as possible”, explained M. Blais. The minister did not want to precise how high these penalties would be. (...) Precisions will be in the regulations submitted after the Law is passed. The Objective Dignity Collective, a convergence of different social groups, asks the government to renounce to the penalties, “to abandon this punitive approach and other obnoxious measures which will further threaten people’s conditions” (Chouinard 2016).

As we can see it is not yet possible to assess properly this reform. In any event, a number of precautions will have to be taken in order to understand its impact regarding growing social inequalities. As such, consequences of austerity are blurred and difficult to assess. Nonetheless, our research shows that certain populations are more at risk of being negatively effected by such policies.

### **Migration, Ethnicity and Marginalisation**

Among those who are most adversely effected by austerity measures, new immigrants are at the forefront. They are struck directly and indirectly by political decisions intended to reduce the budgets of welfare programs and public services. But it is also the general economic situation that is worrying. A good example is tourism because it is probably one of the few economic sectors where new immigrants can find jobs. As underlined by one respondent working for a non-profit corporation promoting that sector, the financial crisis of 2008 and

subsequent years in the USA had a negative impact on tourism dynamism in Montreal. The result has been a decline in employment in hotels and restaurants:

“On the other side, when tourism goes up, there are more jobs. (...) There are more housework and maintenance jobs for women in hotels, for example. Many immigrants take up these jobs. Tourism is probably one of the sectors where most newly arrived immigrants are employed. So when the tourism industry is hit by a crisis, as this was the case in 2008, 2009 and 2010, we can talk about a tendency to precariousness” (Montreal-CG1-M).

Even though it must be underlined that working conditions in the hotel sector in Montreal are better in comparison to most other North American cities, mainly due to high unionization rates (Montreal-CG1-M), this does not mean that poor people are in an enviable position. In fact, if we look at the example of public transit users' costs, they are the ones who are affected by access inequalities. This was expressed by a local elected politician:

“You have to look at those who work for the minimum wage, little more than 10\$ an hour, these throngs of immigrants who make up Montreal's new population, who live in insalubrious housing, who pay 82.50\$ for their public transit passes, who are the only ones taking the metro at 5:30 am on Sunday mornings when the metro opens. All these women who converge towards the city-center to prepare breakfasts and make the beds, they, they pay shit-loads! There is a cost to living in such miserable conditions. I've talked about immigrant populations but many French and English-speaking people also live in similar situations” (Montreal-EP1-M).

*The Voluntary Sector: A Dual Approach.* Since the beginning of 2015, the voluntary sector has been concerned by the possible negative impacts of reforms that have taken place at the same time in several sectors (education, health, welfare, kindergarten) by the provincial government in the name of a rigorous rationality while pursuing a process of state restructuring. This is the reason why the leaders of the most important private foundations in Quebec have joined forces to raise public awareness about the ongoing reforms and the threat of increasing social inequalities:

“For the first time, Quebec-based foundations come together and jointly talk about the fears and concerns of the people, families and communities they support. At a time when government programs are being called into question and the tax system is being thoroughly examined, we ask ourselves what are the possible impacts of these changes on society. We are particularly concerned by the increase in social inequalities, a growing world phenomenon which calls for more watchfulness on the part of credible economic organizations and well-known political leaders. (...) It is probably due time, today, to examine if the means we gave ourselves are still the most efficient. But there is something the Quebecois don’t call into question: the objective of a society which offers its chance to each and every one. We believe it is useful to remember this great consensus in Quebec, consensus which was illustrated by the Law on the elimination of poverty and social exclusion which was unanimously voted at the National Assembly in 2002” (Fondation Béati *et al.* 2015: 1-2).

The position taken by the leaders of private foundations – financing social and community-related initiatives – was the result of a collective endeavour. At the same time, some were pro-active on their own, as was

the case with Centraide of Greater Montreal.<sup>6</sup> Likewise, a representative of Centraide did not hesitate writing to Quebec Premier Philippe Couillard:

“Last year, I wrote a letter to the Prime Minister to inform him that I was preoccupied by the measures that were being taken. And I never got an official answer. But the minister Hamad called me to schedule a meeting. This has not yet happened. But us, we're not going to take the streets. It's not our role but we have to raise awareness and talk to people to tell them: 'Listen, we're going to have a general description. This is the global description we are aware of. Are you aware that all this is happening?' This is our job.” (Montreal-CBO1-F).

*Actors, Strategies and Tactics.* Shall we say that, in Montreal, a strategy prevails among the main components of the local State for promoting austerity? Prior to the last Federal election,<sup>7</sup> even though there was no agreement or concerted effort between the three tiers of the state, a general culture of austerity was shared by the elected politicians in power. And, in addition to a reduction of public services through budget cuts, this culture has resulted in a reduction of the number of public service employees. As such, there was no strategy, no coherent plan that everyone agreed upon. Nonetheless, there seems to be an urgency of reducing public debt that made consensus among those in power possible. In the field of welfare, as well as in other fields, the same philosophy was conveyed. It was as if the priority was to reduce the public debt and that no doubt was to be evoked about such a goal. Who will suffer, in what ways, and by how much were not concerns in that respect. At the provincial level, it is the Treasury Board that is before all

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<sup>6</sup> This private Foundation has the mandate to fight social poverty and exclusion. “In Greater Montreal, one out of seven people receives support from an agency in Centraide’s network.” (Centraide Website)

<sup>7</sup> As mentioned previously, the Federal election occurred in October 2015.

in charge of defining and implementing austerity measures across public action. There was a large consensus among our respondents who clearly identify this governmental agency and its role.

At the municipal and city-regional scale, the Mayor has in some respects been compliant with austerity. He has decided to abolish several positions in local public administration. This can partly explain why municipal administration finished the fiscal year 2015 with a surplus of 146 millions of dollars (Normandin 2016). At the same time, on some occasions he may stand alongside with citizens and the community sector. His political orientation can be described as determined by a pragmatic approach at least in different areas. He can support some progressive requests, but he is also promoting corporate investors.

*The Mayoralty.* Urban and regional planning as well as the management of public places and public services in Montreal is quite challenging as the municipality is highly decentralized. Due to this, the Montreal mayor in charge of the borough Ville-Marie – corresponding to the city centre – and has to share responsibility with borough mayors for decisions regarding the whole agglomeration and/or city-region. Montreal is composed of 19 boroughs with specific powers, offering direct services to the population in specific areas. What makes this even more difficult is that in 2006 a new political forum of management was introduced, the Montreal Agglomeration council. This forum includes 15 de-amalgamated suburban municipalities. These municipalities are located on the Island of Montreal but did not accept the status of borough. They preferred recovering their previous statuses as autonomous municipalities that existed before the 2000 municipal reform. This reform amalgamated all the suburban municipalities of the island of Montreal with the old urban neighbourhoods (on the island as well) under the same jurisdiction, creating a megacity. A referendum that took place in 2005 gave those suburban municipalities the opportunity to recover part of their past status. The condition, however, was that they accepted to contribute to the Montreal Agglomeration council with the boroughs.

The Montreal political and administrative reform towards decentralization has generated ambivalence in citizens' minds. On the one hand, the decentralization is promoting a management closer to citizens: it is easier for citizens to be listened to in their borough in comparison to what was experienced regarding participation in the previous municipal situation. On the other hand, power is more diffuse. Sometimes it proves difficult to see who is responsible or in charge of getting things done. As a consequence, citizens are no longer interested or, at least, are getting less involved in local politics.

*Mobilization against austerity and contextual constraints.* In the face of what has been described in a schematic way, the picture of the fight against austerity measures in Montreal is faced with numerous structural and subjective constraints. Globalization, market liberalization, neoliberal ideology, these elements were not present when the definition of the social-democrat compromise at the root of the Welfare State was elaborated (Manin & Bergounioux 1979), at least not with the proportions that they entailed nowadays. These factors are added to more subjective constraints derived from a tradition of cooperation and conflicts among the community sector and the labour movement. What was striking in the autumn 2015 was the large mobilization that took place. Several initiatives were put forward by social actors. These included large street demonstrations to oppose decisions in the name of budgetary rigour or austerity, asking to stop expenditure cuts, promoting better funding for public services. Many of those initiatives were supported by a coalition created in 2009 in order to fight against austerity measures regrouping 77 organizations from the community sector and the labour movement: *La coalition opposée à la tarification et à la privatisation des services publics.*

The street demonstrations organized by the coalition were widely covered by the media. The same prevailed following other citizen initiatives for preserving school services or the Centers for Early Childhood (CEC). All those events and mobilizations must be contrasted however with what occurred on a professional and sectorial basis. Over

the last half of 2016, what has occurred can be described as negotiation in ‘silos’ between the provincial government and public sector workers. It was as if everyone was somehow more concerned with taking advantage of the conjuncture than to oppose injustices and discretionary measures implemented by the government in regard to the common good. Within the health system, for example, there was a clear strategy by reformers and state negotiators to divide and play one section against the other (primary care physicians against specialist doctors, nurses against other workers in the health system, and so on). And a similar logic prevailed among the main sectors (health, education, welfare) of public services. The Quebec government – and to a certain extent professional associations and/or professional trade unions – established a balance of power among those sectors. It was as if everyone was trapped in the “iron cage” of state bureaucracy.

Some respondents were aware of the challenges inherent to ongoing state restructuring, including the reconfiguration of social and political practices. What is at stake goes back to an understanding of state responsibility and modalities of public service provision. It is also how the “Quebec model” in connection with the Welfare State was defined and redefined in the 1960s and 1970s and during the subsequent years by direct and indirect contributions of major trade union organizations and the community sector. From then on, questions have been raised regarding cooperation among civil society actors. How is it possible for community organizing actors and labour activists to continue working together? How is it possible for them to overcome old corporatist divisions? As one respondent mentioned:

“On one side there is the eternal alliance between the community organizations and the trade unions, on the other side community organizations are subjected to trade unions (...) Of course the trade union movement is stronger and more present. There are also more people in the streets when trade unions want to demonstrate. Trade unions are more present in the media. If

community organizations do something, on their side, we won't talk much about it or we'll say it's a trade unions' demonstration even though there were only four trade unions' signs" (Montreal-VSE2-M).

"We also need to keep in mind, as it was underlined that the Montreal situation is different to the rest of the Quebec territory. In Montreal, social networks are stronger and better developed: "We're lucky we have the neighborhood coordination tables [*tables de quartier*] which are not financed by the provincial government" (Montreal-CBO1-F).

One community worker provided a comment along similar lines: "In the regions, there aren't all those structures like in Montreal, and they don't have all these networks like we already have in Montreal, it's not the same way of working either" (Montreal-VSE2-M). He also commented on the fact that for the life and vitality of the community sector the budget cuts outside Montreal (in other Quebec regions) had more negative impacts.

In this respect, another element must be taken into account: the fact that a discrepancy exists between what is elaborated at the political level in regards to austerity measures and the way these are subsequently implemented. To a certain extent, it seems that the public managers (government officials) with whom community workers are dealing with convey an accommodating attitude. According to one neighbourhood respondent:

"We, in our case, it's paradoxical because at the national level [the Quebec territory] you have different policies being put in place. There are decisions taken and these have impacts in a context of austerity. The impacts are lived at our own level but, paradoxically, we work with agents of the State who are on the ground and who do not necessarily agree with the decisions which are being taken, up in the government. So we are in a weird situation because we work with civil servants to

somewhat sooth what is happening and temper the decisions taken by their own government” (Montreal-VSE2-M).

### **Collaborative Governance and Actors’ Fragmentation**

The local voluntary sector in Montreal is diversified and professionalized. It is also entrenched in public policies. But the following should be added: this sector is characterized by a process of constant “recomposition.” This is certainly not specific to Montreal. What is, however, pertains to the specificity of the challenges different social actors are facing in Montreal. Several complementary readings of those challenges are possible according to what is emphasized: child poverty, gender inequalities, new immigrants’ discrimination and exclusion, social welfare, environmental issues.<sup>8</sup> neighborhood revitalization, economic dynamism, and so on. Depending on the respondents we speak to, variations are expressed:

“The fear or the fact that there will be no increase in wages and all this at the level of the public services, of health and education services, this has a major impact. What we directly feel, it's definitely in the education sector, in the school: when there are no more specialized services, we go to the community organizations. And of this, we strongly feel the effects. Same thing with health and social services: everything that was helping, for example, people with mental health issues or that offered services to handicapped people, it is clear that there are important effects. I can't tell I know other sectors sufficiently... I can't talk about culture because I don't

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<sup>8</sup> The specificity of specialized or sector reading is well reflected in the comments of a respondent from the environment sector: “Environment organizations, like popular education organizations, have long been a special sector. They have been close to the community sector in general but we are a quite specific sector” (Montreal-VSE1-M: 13).

know much about this. But I believe that the decisions which were taken in this sector have impacts too” (Montreal-CBO1-F).

In some respect, beyond this observation the consequences of austerity measures are blurred. It remains difficult to carry out a clear assessment of their effective consequences in terms of negative impacts toward the most underprivileged. A community worker of the neighborhood tables we spoke to has brought to light the necessity to be nuanced when it comes to assess the concrete effects of these measures. Sometimes it is easy to see those when professional contracts are not renewed, as was the case in the educational and health care systems. But it is not always like this. If the decisions taken by the Couillard government in regards to austerity are strongly criticized by all the respondents when deterioration of the life conditions of the most deprived social groups are involved, the intention behind those decisions – balancing the budget – is not necessarily perceived negatively. What is questioned, however, is the time-frame that was chosen by the government as well as the final target intended (see Montreal-CG2-F).

Thus, there is room for nuance when it comes to weighing the government’s intentions. But this result does not explain why it is difficult to resist and combat government policies efficiently. The explanations must be situated on the subjective side of collective action. In other words, the divisions among social actors are still too important:

“On the side of the trade unions, we feel there is anger and discontent, we feel more people are ready to lose part of their salary for their convictions. We see it with the teachers. But I don’t think we’re on the brink of having trade union movements going on indefinite or illegal strikes with their members ready to follow a general mobilization. We’re not there yet. After all, the rubber band hasn’t snapped yet. And as long as some players will come winning out of all this, it will be difficult. It is not the case of all the underprivileged. They

don't really win anything in all this" (Montreal-VSE2-M).

Issues of leadership – including how the hegemony over the struggle against austerity policies was defined – are at stake, but beyond this it is the diversity of interests that is problematic. Some believe that they will perform better than others. In other words, social solidarity values revealed too weak for not letting corporate and/or special interests to take over in terms of convincing social actors of the merit to define a collective strategy. This comment does not mean that austerity policies and measures will not have several negative impacts on life conditions. The fact is that it is extremely difficult to assess. Yes, there will be fewer professional services in schools. Yes, it will cost more for households to send their children to CEC. But who will be most affected and to what extent remains difficult to predict for the time being.

Regarding the community sector and how it will be transformed, it is also too soon to foresee. Nonetheless one has to keep in mind that the precariousness of the situation for the community sector is anything but new, dating back to at least the 1980s (Hamel 1993). Thus, it is not surprising that from time to time researchers and activists bring to the fore that community organizations are underfinanced due to the fact that the rise of government subsidies are below the increase in the costs of living (LaSalle 2016). Those who are working the neighborhood tables are well aware of that. From a more general standpoint, austerity certainly offers a diversified challenge in terms of collaboration even though no one is facing it with a carefree attitude.

For professionals working with the private sector, it is clear that collaboration can be a useful factor to face adversity. However, collaboration can be weakened:

“Within an austerity context when everyone feels itself adversely affected, collaboration is more fragile, because everyone can eventually be targeted by the government. Thus, before protecting someone else’s turf, the first thing that comes to mind is: okay, let’s protect our turf

first. Once given, it will be easier to make offers to our allies for helping them” (Montreal–CG2-F).

For public managers working in planning processes at the city-regional scale, collaboration is the name of the game, austerity or not:

“collaboration, this is what we do. It is the very nature of our organization.” (Montreal, PM3-M) For the Montreal Metropolitan Community (MMC) – the authority in charge of planning urban and economic development at a city-regional scale –, governance and austerity are a concern but do not have a major impact on the culture of the organization, because “on the side of public administration, governance goes with an open attitude towards civil society, but also with an opening to the components of public administration” (Montreal, PM3-M).

These few examples bring to the fore diverse situations. When it comes to facing austerity practically, depending on institutional affiliations, attitudes can vary according to the constraints. Beyond ideological beliefs, structural and/or organizational factors must be taken into account for understanding the possibilities and the terms of collaboration among actors.

## **Conclusion**

Austerity in Montreal is rooted in a profound process of state restructuring that occurs simultaneously at the different tiers of the federal system. It is largely viewed as an ideology, much more than as a necessary “crisis policy” as it may be seen in other countries. The effects of this process are multiple and diversified but remain difficult to clearly grasp. In front of this process, social actors are ambivalent: they need to cope with and contest these policies and, at the same time, strive to survive and continue to work. In the end, they remain very fragmented. What now needs to be explored is how this unfolds at the level of the

city-region, and how social actors collaborate or fight against each other in the context of austerity and state restructuring.

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## **Toronto *Alles Uber*: Being Progressive in the Age of Progressive Conservative Urbanism**

Roger Keil<sup>1</sup>

“I’ve said to the cab industry, ‘You should get yourselves modernized.’” – John Tory in Peat 2015

“The guiding tenet in inner-core regime analysis (its “iron law”) is that for any governing arrangement to sustain itself, resources must be commensurate with the agenda being pursued.”

– Clarence N. Stone 2015

### **Introduction: Tory Rides the Subway**

A sweaty Toronto Mayor John Tory emerged from a Kipling subway station in the west end of the Ontario city in the morning of September 7, 2016 to declare that the ride that he had taken along the entire Line 2 subway was “uncomfortably hot”. He had experienced, first hand, what thousands of commuters had to endure through the scorching summer of 2016: The Toronto Transit Commission was failing to maintain a state of good repair of the air conditioning units of some of its subway cars while the city was involved in extensive plans, many of them on the mayor’s behalf and insistence, to expand the sorely underperforming rapid rail and bus system in the metropolitan area. Tory’s mayoral campaign and reign had previously been focused less on fixing existing problems and had talked about a wholesale revamping of

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<sup>1</sup> Roger Keil is York Research Chair in Global Sub/Urban Studies, Faculty of Environmental Studies, York University in Toronto. He researches global suburbanization, urban political ecology and regional governance. He is the editor of *Suburban Constellations* (Jovis 2013), co-editor (with Pierre Hamel) of *Suburban Governance: A Global View* (UTP 2015) and co-editor (with Julie-Anne Boudreau, Pierre Hamel and Stefan Kipfer) of *Governing Cities Through Regions* (Wilfrid Laurier University Press 2016). Email: rkeil@yorku.ca, Twitter: @rkeil

the transportation system, especially through the implementation of an ill-conceived SmartTrack transit plan (a scheme that would have seen a combination of existing track with newly built rail aimed at building a new east-west connection through the city at allegedly lower cost and in faster time; while the scheme found early backers among the transportation engineering crowd, and played a big role in getting Tory elected, it was later considered too costly and complex to be put into practice; CBC 2016; Tory 2014). This was a remarkable admission by a man who had so far banked on “disruption” and innovation where there is really only one way forward. Instead, he conceded that he was not able to fix even the most mundane of technical problems (Spurr 2016). In this paper, I will examine the emerging mayoral regime of John Tory in light of two connected critical lenses: Tory’s infatuation with technological and economic disruption and the consequences of such a politics for progressives in Toronto.

For now, Toronto is stuck in the middle between a short term recovery from an aberrant mayoral regime representing the margins (of various kinds) and the reconstitution of institutional elite power after 2014; and it is stuck in the middle between its ward parochialism and an expanding sense of regionalism. The new mayoral regime signals modernization through technological shifts and market mechanisms. This new mode of operation both reestablishes centralized elite power and normalizes roll-with-it neoliberalization in the city. It also meshes with what is commonly assumed to be “progressive urbanism”. In this situation, progressive politics in Toronto – usually needs to reassemble itself along different lines than in the past, when it could align itself along social justice, environmentalism and diversity. My intervention here asks what those new markers of progressivism might be, what stands in their way, and how they can lead to an alternative to the conservative hegemony and ultimately more systemic change in the city.

The election victory of John Tory in November 2014 in the race for the mayor’s office signaled the end of a four-year circus around the

mayorality of Rob Ford. The late maverick councilor, turned populist mayor, had shaken up elite and common perceptions of what urban politics is about: embracing underdog positions dressed in a language of suburban exclusion and anti-elitism, the Etobicoke millionaire ran the city on a platform of austerity, savings and anti-government rhetoric. At the same time, the Ford mayorality is identified with a single-minded plan to expand the city's subway system into Scarborough (over the recommendation of most transit experts and in contradiction of most budgetary projections). Ford's personal issues around drug use, misogyny and racism and potential criminal activities added colour to his policies but they are not what concerns me here. We can look at the Ford years as an aberration or as a fulfillment of trends, as a protest vote of the unheard or as the expression of a solid bloc of voters on the political right that are emboldened to throw their weight around when needed. After four years of never ending chaos, John Tory appealed to Toronto's voters as a voice of reason. The fast spoken, articulate, groomed, expensively dressed and urbane Tory appeared as the exact opposite of his incoherent, bumbling, sloppy and track-suited suburban predecessor. Both political conservatives, both wealthy, those two men were nonetheless light-years apart.

The two other significant candidates in the 2014 election, the NDP heavyweight Olivia Chow and the former mayor's brother Doug Ford after Rob had to undergo treatment for cancer were unable to influence the outcome of the vote in any decisive manner. But the older Ford brother still pulled 34 percent of the popular vote city-wide. The candidate of the Left (unopposed on her side of the political spectrum) only drew 27 percent. As a basis for any consideration of an organized progressive political pathway for Toronto, these numbers are important as they reveal the willingness of a broad majority of Torontonians to throw their support behind a spectrum of extreme to moderate political programs fashioned by outspoken right-wingers. Any progressive position in Toronto proves to be minoritarian at least at the ballot box (a pattern that was also borne out in more recent provincial and federal

elections during which New Democratic Party candidates were almost entirely wiped from the political landscape in Toronto and its suburbs; a large majority of the electorate threw its support behind the Ontario and Federal Liberals, and selectively even the Conservatives who made inroads for the first time in decades into the core of Toronto).

If Ford was perhaps an anomaly in the history of Toronto politics, it remains open whether John Tory's mayoralty will be able to shift things significantly or whether he will be incapacitated by the contradictions he inherits. The latter possibility may have more to do with his own baggage than with those contradictions. There is nothing in Tory's background that suggests he would aggressively pursue an agenda of social and spatial justice that could heal the divisions that have ravaged the city. His more recent blunders in the Black Lives Matter file and his decision to push City Council to vote for the drastically unjust one-stop subway solution have confirmed that suspicion. But he also is up against structural limitations. He is wedged between a 35 percent hard right opposition that largely coincides with the geographic confines of the Etobicoke and Scarborough "Ford Nations" and the 25 percent progressives downtown and elsewhere in the city that voted for a candidate with a decidedly different agenda than the newly elected mayor. It is inconceivable that he will reach the first group who see him as a guy born with a silver spoon in his mouth, an elite representative who talks too fast and is unaware of the problems of the small suburban homeowner and renter.

The Toronto "progressives," by which I mean in the context of this paper a broad spectrum the traditional inner city social democratic left, the liberals and "Red" (social democratic) Tories in the tradition of 1970s urban reform, the middle class environmentalists and most labour groups,<sup>2</sup> are more likely to give the Tory agenda a try, especially as

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<sup>2</sup> For a more elaborate discussion of this "progressive" or "reform" tradition in Toronto politics see Kipfer and Keil 2002: 238-240. When using progressive in the context of this paper, I refer specifically and predominantly to these political constellations, not to an aspirational, radical position outside the mainstream political spectrum, although the

supporting him aligns itself with the urbanist dreams of density and creativity espoused by a downtown millennial population raised on recipes popularized by iconic Toronto urbanist Jane Jacobs and her epigones and carried forward through discourses of urban creativity and maker economies.<sup>3</sup> But given the left-liberal leanings of these communities, they will likely tire quickly of the more or less vacuous repetitions of Toronto as 'one city' and corporatist conjurations of class unity and unity in diversity. Tory can count on the full support from his corporate friends who were unhappy that the conservative torch had lately been carried by someone like Rob Ford who was hard to control and representative of marginal economic sector largely unconnected to the creative globalized money economy they envision to make its home in Toronto.

Apart from a Chicago stint, Ford's only business trip was to Austin, Texas, to seek advice on (and ultimately copy) strategies for making Toronto a location for live (rock) music. That is likely going to change under John Tory who also traveled to Austin in early 2015 to promote all manner of music related technology and start-ups (Rider 2015a). But the suave business man he is, he also already hobnobbed with his London counterpart (during the reign of Boris Johnson) and financial executives in that global city to drum up business for his city's financial technologies industries (Galang 2015) (as his neighbours in Markham and Mississauga are quite used to do in more far flung locations in China and India) (Belina and Lehrer 2016). It is not apparent yet what new business regime will form to place its demands on the Tory mayoralty, but it will clearly go beyond the small and marginal, often suburban petty bourgeoisie that had Ford's ear. But this article will concern itself more

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progressive reform tradition in Toronto often entailed radical elements that pushed class, race and gender issues to the front of the debate.

<sup>3</sup> An example of mild to enthusiastic support from this group of voters would be the positive reaction most progressive urbanists displayed when Tory unveiled his plans to begin collecting road tolls on major highways, a measure uniformly considered progressive among urbanists and environmentalists (Keenan 2016).

with the condition for progressive politics than the ambitions of the city's and region's elites. This is where we will now turn.

### **Progressive Politics in the Uber Age**

"But if such technologies, such as computer cabling and communication networks, provide a new right to consume information, they fail to grant a right to produce the latter. At most, this happens only through the contemptible charade of communication that is labeled 'interactivity'. The consumer of information does not produce any information, and the citizen is separated from the producer. Yet again, the forms of communication have been changed in the urban milieu, but not its contents" – Henri Lefebvre 2014: 205

"I am ready to lead" – John Tory in Keenan 2016

"[T]he city is under new management" (Hui 2015) is one of the statements we have gotten used to under new Mayor John Tory, who was elected in 2014 in Toronto. As generic as such a statement sounds, it has been quite foundational for the new regime since its inception, actually already since its election campaign. Municipal affairs in Tory's Toronto – for which the mayor says he is "the chief salesperson" – have decidedly shifted since he swept up the shambles left by the disastrous Ford intermezzo. This shift, which follows a similar radical landslide in voting patterns, as I will explain shortly, also altered significantly the landscape of progressive politics in Toronto. In so far as this altered stage is representative (or even productive) of larger tendencies, the Tory regime signals the arrival of a souped-up urban neo-liberalism, a true example of the kind of roll-with-it neoliberalization which has been the hallmark of our times that are characterized by perpetual crisis and open-ended constant *bricolage* we have come to call progress (Keil 2009). In this

context, the agendas of urban progressivism have been both redefined and reduced, often to the point of making progressive politics itself difficult to maintain as a separate distinctive sphere of the polity. While there are several layers and terrains on which the altered stage of politics is performed, I will focus here on a particular intersection of the political and the technological that I find especially defining for the Tory mayoralty. Hence the title of this contribution: Toronto “*Alles Uber*”.

This is a reference, in the first instance to a signature conflict that has been festering since Tory campaigned in the summer of 2014: the question of whether and under what conditions Uber, the corporate ride-sharing service – let’s call it that for now – should be allowed to operate. Since its existence in the city, Uber operated in a legal grey zone in which the company (and its drivers) set their own rules of operation while, as one analyst noted “Mayor John Tory has consistently and blatantly winked at Uber’s open law-breaking” (Valverde 2016). This all changed in May of 2016 when City Council voted to implement rules for the operation of Uber vehicles.<sup>4</sup> Toronto is of course not alone in having to make up its mind about the sharing economy and mediated services but it now has a chief executive who has made the question of technologies a major plank of his still evolving platform (he has made it known that he is considering a two term mayoralty already). *Alles Uber* includes a reference to not just making Uber part of the mobility solutions for a congested city.

The adverb “*alles*” entails the notion that Uber might stand for more than just mobility but rather extend to becoming a principle of organizing modern urban life itself. While this is not the place for a detailed discussion of the sharing economy, it must be pointed out that it has been argued that Uber should not even be counted as part of that economy (Valverde 2016). Mariana Valverde (2016) explains: “Carpooling and car sharing are in the sharing economy and so are the local websites that facilitate the buying and selling of second-hand goods.

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<sup>4</sup> This included among other things fleet insurance, a 30 cent per ride fee the drivers have to pay to the city (Powell 2016; Valverde 2016).

But Uber is not an arrangement among citizens, and it is not a company that facilitates such arrangements. Uber is an extremely profitable and aggressive American company with global reach that deliberately opens illegal operations – taking advantage of commuter frustration on the customer side and of the precarious economic situation of many groups of male workers on the driver side – and then hires swarms of professional lobbyists to persuade or pressure local politicians to legalize it after the fact on favourable terms” (see also Slee 2016).

Most importantly, some observers have speculated whether “the privatization of city governance” is “Uber’s ultimate goal” (Sadowski and Gregory 2015). If that is the case, the installation of Uber and its ostentatious support by the new mayor can be interpreted as a moment in the establishment of a new modality of governance, a step up in the register of roll-with-it neoliberalization in Toronto (Keil 2009). This new modality, in turn, marks the conditions under which progressive politics in Toronto will be shaped. Progressive politics in Toronto as elsewhere runs up against the opportunity structures offered by the urban regime. Building on previous work with Julie-Anne Boudreau and Douglas Young (Boudreau et al., 2009), let me quickly remind ourselves of the regimes that preceded the current one in the past few decades. Progressive politics in Toronto needs to define itself in relation to historical precedents and future possibilities but also in relation to its own past and reputation as a traditionally progressive place.

### **Five Political Periods in Toronto, 1972-2016<sup>5</sup>**

*The reformist period* (1972-1995), from the first election of reformists at City Hall in the former City of Toronto, to the election of Mike Harris’ Tories in the province of Ontario in 1995. During this period, despite the continued significance of the regional two-tier Municipality of Metropolitan Toronto, the central city was dominant in city-regional politics. The main line of conflict was between developers and local residents (who were represented at City Hall by reformists).

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<sup>5</sup> Based among other sources on Boudreau et al 2009.

*The anti-statist neoliberal period* (1995-2003), from the election of Mike Harris to the defeat of the Tories in 2003. During the long 1990s, Toronto experienced the suburbanization of city-regional politics with the dominance of pro-growth, neoliberal, and suburban interests. The main line of conflict was between economic growth (not only land development, but economic growth understood more broadly) and the quality of life.

*The neoreformist period* (2003- 2010), starting with the election of Mayor David Miller and Paul Martin's New Deal for Cities. This period is characterized less by a suburbanization of city-regional politics, and more by the creation of a city-regional consensus (between globally and locally-oriented capital, labour, and politicians) on the necessity to focus on the quality of life in Toronto as a competitive asset for city-regional economic development. At the same time the contradictions of the neoliberal regime in Toronto deepened, especially after the so-called Great Recession in 2008 (Boudreau et al. 2010; Fanelli 2016).

*Populist intermezzo* (2010-2014). The preceding three periods in the timeline of Toronto regime change end in 2010 with a bang or a whimper depending on your perspective when Rob Ford is elected mayor. The Ford years concluded 15 years of major territorial rearrangement, local state restructuring, and popular realignment. In many ways the events between 2010 and 2014 ran counter to the time-space dialectics of the prior two decades. This stripped down political narrative belies the fact, of course, of deeper processes of restructuring at work during which Toronto went through a shift towards a regime of roll-with-it neoliberalization, combining the formation of a continentally articulated global city-economy featuring a core creative economy surrounded by an "arrival city" periphery (Boudreau, Keil and Young 2009; Saunders 2010).

To some degree, of course, Ford's election, which led to a whimsical constellation, not quite a regime, an unstable conjuncture of (more or less conservative) councillors circling around an increasingly shifty mayoral core, was just a moment in a series of cyclical political

conjunctures and realignments that produce regular backlash – in this case from a perceived tax and spend, labour-friendly leftwing regime to a fiscally conservative, common sense, common people administration. Ford’s constructed opposition to the “gravy train” of municipal politics under David Miller that benefitted the downtown elites with their cycling habit and streetcar infatuation. Ford’s time in office has plausibly been explained through a critical reading of rightwing populism as Kipfer and Saberi (2014: 128) have done in a recent intervention. They argue that during that period Toronto was “under the spell of a populist theatre” in which “‘the people’ often appear as a political football, not a formed subject-in-struggle or a coherent object of rule”. Those populist constellations are fickle, not stable regimes. Kipfer and Saberi (2014: 134) continue: “Where populists govern, directly or indirectly, it does not necessarily function as glue to solidify political regimes”. Rob Ford and his stand-in during the mayoral election, his brother Doug, brought a “deeply racialized form of authoritarian populism” to Toronto City Hall”.

Ford, then, may just have been a bridge, a cleansing, a front for a more permanent shift that we see emerge now. Viewed in this light, the rather absurd time warp the city’s regime has been in since the Fords got elected may come under a different spotlight:

- 1) We can see the Ford years as a period of hypermodernization of the socio-economic base and total retreat into raw and rabid political superstructures. Ford tried and succeeded a souped-up austerity regime based on union-bashing and service cuts;
- 2) Ford’s antics and reactionary politics did nothing to slow down the frantic development pace in the city, especially in its downtown core;
- 3) But it also didn’t do anything to produce much needed urbanity in the so-called inner suburbs: The city’s school board and housing authority stumbled from crisis to crisis, the Tower Renewal project was thrown into almost-obscure; the priority neighbourhoods were largely left to their own devices; dialogue with educational institutions (schools, universities) was non-

existent, etc. (the latter is particularly noteworthy in light of the intended expansion of such institutions in the sub/urban region (Addie, Keil and Olds 2015).

- 4) At the same time, and paradoxically, the progressive urbanist projects of the city came to a complete halt (with the exception of those projects that were initiated by the newly hired Chief Planner of Toronto, Jennifer Keesmaat). Bike lanes were ripped out and painted over in an imaginary “war on the car”, ambitious plans to build LRTs across the city’s expanse were haphazardly cancelled without replacement; no ideological or material support was given to the many smaller scale regime-building efforts between the newly important “ed & med” sectors in the city and the municipality. Ford was oblivious to the challenge and, apart from individual activities, the various schools efforts to remake their neighbourhoods – such as Ryerson University’s continued forays into real estate politics – very little of note happened during the Ford regime.<sup>6</sup>

*Elitist resurgence and post-political modernization* (2014-). In assessing the possible outcomes of a Tory regime, we might, revert to Karl Marx’s 18<sup>th</sup> *Brumaire of Luis Bonaparte*. John Tory, the upper class corporate leader and political operative might have this verdict hanging over his head: “Bonaparte would like to appear as the patriarchal benefactor of all classes; but he can give to none without taking from the others.” Tory will try this patriarchal approach to politics but will run into problems as the dissent grows stronger. He will be prepared to counter this dissent on the left and the right with a post-political stance that will disempower critical challenges from the Left and populist sniping from the Right all at once (Swyngedouw 2010). There will be, as

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<sup>6</sup> This analysis builds on an insightful piece by Clarence Stone (2015) who notes that large scale coalitions of the Post WW2 kind cannot be expected today but classical city-business power blocs (with the powerless on the sidelines) are replaced by mini-regimes based largely on the emerging ed&med sector – of course we need to pay particular attention here to the magnetic effect of the creative class which is increasingly coming into its own as a “class for itself” in our cities.

he is wont to say, “no right and no left, just forward” (Powell 2014). Of course, Tory himself owes his political success to a smooth political move to the centre in a major provincial political realignment which was anything but post-political. The former head of Ontario’s progressive conservative party is, by all intents and purposes, a tory in a Liberal suit. This realignment may, in itself prove unstable, as the Liberal government in the province is shaky and under attack from both the political left and right. At a by-election for a seat in the provincial legislature in September 2016, the provincial conservatives won their first victory in Toronto in a generation; at the same time, the provincial New Democrats under Andrea Horwath (who had all but abandoned the issues that matter to urban voters in the 2014 contest) have shown signs of life. At present, though, a political axis of Premier Kathleen Wynne and Mayor John Tory represents a centrist political fortress outside of which very little political space exists as long as they both remain in power.

### **Progressive Politics *Quo Vadis?***

Now where does urban progressivism stand in this context? In the historical antecedents of today’s progressivism, we can count waves of revolutionary or reform politics without which we would not be able to use the term progressive politics the way we do today.<sup>7</sup> Toronto politics has been identified with a version of progressivism that made it the envy of many cities on the continent if not in the world. The “city that works” was the moniker that referred to the integration of growth pressures into a state spatial strategy of a two tier government that

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<sup>7</sup> The use of the term “progressive” does not refer to the significant tradition of the Progressive movement in the United States from the turn of the 19th to the 20th century that was mostly a managerial reform movement introducing market rationality to the governance of cities which were considered mired in corruption and class politics. Instead, we can count traditions from politics on the political left among guideposts here: E.g. working class politics, municipal socialism (Frankfurt, Vienna, Manchester); Progressive politics in North America (Burlington, Santa Monica); African American autonomy movements (often paired with the politics of movements and protest); Brazilian movement towards participatory budgeting.

distributed the benefits of urban expansion across the metropolitan area. During the heydays of the 1950s and 1960s but even into the 1970s, housing and transportation infrastructure as well as ancillary services were deliberately provided to the outskirts as well as key redevelopment areas of the inner city. Parallel to this metropolitan state spatial strategy, Toronto experienced two decades of sustained reform politics under mayors Crombie and Sewell that undergirded the core city's reputation as a forerunner and pacesetter of urban reform in education, multiculturalism, urban planning, etc. (see Kipfer and Keil 2002 for a history of this tradition). This coalition made way to a more managerial regime during the 1980s and 1990s but it retained a certain significance in civil society institutions that persisted as progressive beacons even during the emergence of decidedly more neoliberal conditions.

The Toronto political system is remarkably open to a brand of progressive urbanist politics that resonates with a particular majority of business, middle class and inner city interests. This majority has sometimes been in charge of matters at City Hall (or in the past in Metro Hall, but rarely in the suburbs). This brand of politics is currently dominant in Toronto and Ontario. John Tory, a politician trained in the backrooms of the regime of former mayor Mel Lastman<sup>8</sup> and in corporate boardrooms and law offices, represented Civic Action before he ultimately won the mayoral election. This hard-to-define organization, founded by the late David Pecaut as the Toronto Summit Alliance acted as an unelected shadow government under Mayor David

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<sup>8</sup> Lastman, a flamboyant former owner of a major appliances and furniture retailer, was a longtime mayor of the suburban municipality of North York before he was elected the first mayor of the amalgamated city of Toronto in 1998. Lastman's regime was characterized by clientilism and patronage politics directed at suburban homeowners. He also managed to build a civic and residential centre and a peripheral subway line in North York that became the trademarks of the modernist suburb north of Toronto. His time in office as mayor of the new Toronto was characterized by a continuation of clientilism but also by some delegation of key areas (environment, welfare) to progressive members of city council. His tenure ultimately was marred by a series of spectacular gaffes and errors in judgment.

Miller and stayed mostly on the outside of Rob Ford's ill-fated right-populist regime. Now, the kind of business-based neoliberalization pushed by Civic Action is in full flight in the city and beyond. But in the long perspective it also needs to be taken into account that erstwhile radical anti-amalgamation activist Kathleen Wynne is now the Premier of the Province of Ontario (Boudreau, Keil and Young 2009; Boudreau and Keil 2010).

A more left-wing version of this centrist coalition was behind the two times electoral success of New Democrat David Miller, mayor from 2003 to 2010, (who also had strong union support and won in the suburbs). More recently, the Miller coalition, which was elevated to more than municipal significance during the McGuinty-Martin years at Queens Park and Ottawa, and importantly under Jack Layton's presidency of the Federation of Canadian Municipalities and leadership of the federal New Democratic Party, has been more difficult to reproduce. Toronto voters rejected a rather non-urban platform of the Ontario NDP in 2014 – Olivia Chow only won a quarter of the votes in the 2010 mayoral election – but most devastatingly, for the party-political Left of Toronto, the Federal election of 2015 signaled a dramatic shift away from NDP MPs who, without an exception, had been instrumental in forging progressive political alliances in what their White Paper on urban issues called an “urban nation”. The serious and substantive move(back) by voters to the Liberal Party turfed, among others, NDP Urban Affairs Critic Matthew Kellway and author of the party's urban White Paper, who had systematically used his eastern Toronto base to forge a progressive urban coalition much in the same way Layton had used his position at the head of the FCM to do the same in the early 2000s.

A decade after the inception of Miller's mayoralty and the heyday of a federal-provincial-municipal “new deal for cities”, the very notion of ‘progressive’ has blemishes from skirmishes over the right to inhabit the neoliberal city and from fraying edges of the left-liberal project, especially in terms of its questionable politics of policing, labour relations and

poverty reduction through place-based-strategies (Fanelli 2014). “Progressive” under the current regime is now defined as:

- Geographically (as inhabiting downtown)
- Historically (by the post-1968 political culture)
- Generationally (by the baby boomers and their children)
- Culturally (by official doctrines of ethnic harmony)
- Economically (by the creative class)
- And most importantly in urbanist terms (a class of professional planners who have decided which urban future will be best for us). About this brand of urbanism Lefebvre wrote disparagingly: “what we today term ‘urbanism’ (*l’urbanisme*), which amounts to extremely rigid guidelines for architectural design and extremely vague information for the authorities and bureaucrats. Despite a few meritorious efforts, urbanism has not attained the status of a theory (*pensée*) of the city. What is worse, it has gradually shrunk to become a kind of gospel for technocrats” (2014: 204).<sup>9</sup>

In Ontario, of course, the curse of the progressive includes the province’s political legacy of progressive conservatism, a brand of right of centre politics to which the current mayor has mostly subscribed, although he has recently begun to surpass the compassionate groundswell of the “Red” Tories, the historical flag bearers of a more welfare state oriented brand of conservatism, for a more aggressively business-style – disruptive – approach.

In a world thus encumbered with ideologies of progress, there is little left for the Left to carve out a distinct space along a register of progressivism itself. A broad neo-liberal coalition of the willing has stepped in to fill this void, engineering the shift through material and discursive technologies of power. But it is certainly the key to understanding the forces making up John Tory’s liberal-conservative elite coalition which replicates much of the conservative hegemony of Art Eggleton’s and Mel Lastman’s political brands that resists radical

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<sup>9</sup> Lefebvre’s characterization also casts a light on the progressive or reformist positions I have evoked throughout this paper.

political change and consolidates power at the geographical centre and in the elite networks whose power lines come together there.

### **The Politics of *Alles Uber***

The politics of “*Alles Uber*” suggests we can all share everything as long as there is an app for it. Urban progressives are not equipped to find a way to debunk the promise of opportunity. It is hard to argue against the promise of disruption as revolution. The claims are keen and overwhelming in their audacity. Lyft co-founder John Zimmer promised recently: “Ridesharing is just the first phase of the movement to end car ownership and reclaim our cities” (Zimmer 2016). As one conservative observer notes: “[W]hat if Uber, and more broadly the sharing economy it has become synonymous with, were treated as an opportunity instead of a problem?” (Csanady 2015). Urban progressives have few answers to this challenge. Stuck, for the most part, in a mindset of defensive struggles against roll-back-neoliberalism, the classical urban political communities on the Left are stuck in a time-warp of broken promises and reminiscences of the welfare state. Newer and younger progressives tend to sympathize with tactical urbanist ideas that come in more or less radical shapes (Brenner 2015), and they take UberX home from the yoga studio or the community meeting at the organic café. The traditional principles of pro-union, egalitarian, collectivist imaginaries are often compromised by newer forms of emerging economic models which, as the political Right has begun to understand, capture “small community tool-sharing programs and even small, locally grown start-ups” (Csanady 2015).

I don’t want to belabor or overplay this point but while much of urban progressive thought and practice is mired in defensive struggles and nostalgia for a more Keynesian and social democratic capitalism, the alternatives to current neoliberalism are presented as a more shared form of opportunity which will ostensibly exist in a parallel universe to the precariat that is swelling the ranks of the urban workforce in Toronto and elsewhere. As one political observer close to the NDP has noted, the

“embittered young voters” of today will not be buying into the vision of a socialist or social democratic position that operates in the political world of the 20<sup>th</sup> century filled with “treasured fairy-tales” (Sears 2016). In contrast to the era of municipal socialism at the beginning of the 20<sup>th</sup> century, African American separationist protest in the 1960s or middle class radicalism in Santa Monica or Burlington in the 1980s, today’s progressive politics has not charted another urban world. True, there have been many instances of right to the city movements here in Toronto and elsewhere but with few exceptions, these initiatives have not gelled into a coherent alternative vision for a post-capitalist city.

This void left by progressives today, is amply filled by a technology-based, free-market imaginary ripe with real and imagined opportunity. A recent article summarizes this shift:

“Civic engagement today is different than in the past. Many contemporary activists eschew sit-ins, picket lines, and paper petitions, stalwart organizing techniques of 1960s civil rights activists. Instead, today’s civic innovators push us to “like” neighborhood associations on Facebook, tweet at elected officials during city council meetings, send feedback to government agencies via new mobile apps, and donate funds through online crowdsourcing platforms. Unlike their counter-culture predecessors, they don’t shun private-sector ideas but instead borrow concepts and language from the business world. Civic innovators self-identify as entrepreneurial, innovative, and efficient” (Savell et al. 2015).

The lack of a horizon worth fighting for in a city that changes too fast to fathom is a critical obstacle to progressive politics in Toronto and other cities. The role of technology, while never determining by itself, is critical to the realization of this apolitical or post-political constellation. As the political theorist David Graeber has noted, the children of the revolution of the late 20<sup>th</sup> century were brought up with the idea that technology was on their side. But “the conspicuous absence, in 2015, of flying cars”

(2015: 106) that were promised in the utopias of the 1960s is stunning. What we get in the era of “*Alles Uber*” is a mere authoritarian charade, says Graeber: “Where once the sheer physical power of technologies themselves gave us a sense of history sweeping forward, we are now reduced to a play of screens and images” (Graeber 2015: 111). This is the world that Uber and its prospective regulators inhabit. Mobility is almost a side product of a shift where progressive perspectives are pushed into a legitimacy crisis where the state is guided into the future by techno-fixes and business opportunity. The real state of affairs in a land of *Alles Uber* is more far-reaching than changing the rules of the taxi economy: “the company wants to be involved in city governance – fashioning the new administrative capacities of urban environments. Rather than follow government rules, like any other utility, Uber wants a visible hand in creating urban policy, determining how cities develop and grow, eventually making the city itself a platform for the proliferation of “smart”, data-based systems” (Sadowski and Gregory 2015). The progressives have found few answers to this challenge so far.

John Tory’s Toronto is a playground for new ideas that anchor these seductive visions in a local state administrative logic that is designed to lock “disruptive” business-led progress in for the long haul. Says Tory himself: “if you said to me, ‘What’s in the best interests of the city?’ It’s to have as much valuable, disruptive technology coming in here as possible because that’s what pushes you to be on the leading edge” (Nowak 2015b). Tory’s love affair with disruption extends back to his days at the telecommunications giant Rogers where he oversaw the technological shifts of the early 2000s. The term has since become buzzword and magic formula that is rarely criticized.<sup>10</sup>

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<sup>10</sup> The work of Bernard Stiegler is instructive in this context. See, for example, his interview with *La Liberation* newspaper, July 1 2016; available at [http://www.liberation.fr/debats/2016/07/01/bernard-stiegler-l-acceleration-de-l-innovation-court-circuite-tout-ce-qui-contribue-a-l-elaboration\\_1463430](http://www.liberation.fr/debats/2016/07/01/bernard-stiegler-l-acceleration-de-l-innovation-court-circuite-tout-ce-qui-contribue-a-l-elaboration_1463430); last accessed on September 18, 2016.

The problem extends beyond Toronto. It is central to the “Urban Age”. Instead of finding the new politics of the urban revolution for an urban society of mediation, centrality and difference as Lefebvre might have hoped (Schmid 2014), we are left with a techno-utopian blueprint that is drawn by post-political subjects that operate in a strategic state space in which capitalism remains the ultimate innovation machine. Adam Rogers writes for *Wired* magazine:

“A century, plus or minus, after human beings started putting their minds toward designing cities as a whole, things are getting good. High tech materials, sensor networks, new science, and better data are all letting architects, designers, and planners work smarter and more precisely. Cities are getting more environmentally sound, more fun, and more beautiful. And just in time, because today more human beings live in cities than not.”

In an entirely un-ironic appeal to planning by a thousand decisions (perhaps the flipside to urban austerity’s death by a thousand cuts, <http://cura.our.dmu.ac.uk/>), Rogers concludes:

“The cities of tomorrow might still self-assemble haltingly, but done right, the process won’t be accidental. A city shouldn’t just happen anymore. Every block, every building, every brick represents innumerable decisions. Decide well, and cities are magic” (Rogers 2015). Clearly, this technocratic-decisionist democracy disciplined by the market is a world in which social and environmental progressives are a mere afterthought. Who needs radical politics if you have a business model? Let’s then give the last word to Mayor Tory, who recently professed: “So why should the job of people in public life or for that matter in business be to try and stop change? Everybody has a self interest, some people have an interest in stopping the advance of these disruptive technologies, but probably you’re going to be unsuccessful. Stopping it only buys you time, it doesn’t save whatever it is that you’re doing that’s out of date or on an old business model” (Nowak 2015b).

### **Disrupting Disruption**

Ultimately, the class formations and modernizations of the past that had created the playing field for an urban progressivism centred on the local state and especially the long march through the unionized bureaucratic institution of municipal planning and service delivery have dissipated to make way for a new game of innovation and shifting political allegiances. The Left and its progressivism are, of course, not buried. They are the *undead* of the political terrain. Like zombies, they seek relevance in a theatre where their alternative visions are performed like shadows on the walls of a cave that is furnished by techno progressivism and market opportunities. As Zoe Williams has argued in a short if polemic commentary, the Left ceded the territory of innovation unnecessarily to the Right. Progress and innovation were, in fact, once associated with collective ideas, not market individualism: “There is no discovery in human history that wasn’t created by pooled resources, demonstrably the pooling of public money, but beneath that, the pooling of expertise. Never mind, could socialism produce the iPad? Socialist principles already did” (Williams 2015). Appeal to the “real” issues of social justice (did anyone say polarization and segregation?) and environmental crisis (did anyone say climate change?) is a losing proposition in a political space where smart design and apps solve problems.

John Tory wants to be Jane Jacobs and Robert Moses at once. He said so much himself in a recent interview: He wants to be “sympathetic” to people but also aims to bring in “disruptive technologies” in order to position the city better in international competition (Nowak 2015b). This does not leave much space for a splintered progressive community to find discursive room to maneuver; and it crowds the terrain for the kinds of strategic alignments the Left traditionally had to make to succeed, usually middle class/working class coalitions that combine the social and the cultural critique of capitalism in some form.

But not all is lost. There are several areas in which progressive politics can make a comeback in this age of Tor(y)onto.

- *Spatial justice, transit justice and equity* are taking on a new significance as the system of transit is about to see a major upgrade across the region and as new technologies such as the Presto Card are introduced. Activists and researchers are concerned about equity consequences of such changes (see these reports:  
[http://suburbs.apps01.yorku.ca/wp-content/uploads/2015/03/Switching-Tracks\\_9-March-2015.pdf](http://suburbs.apps01.yorku.ca/wp-content/uploads/2015/03/Switching-Tracks_9-March-2015.pdf);  
[http://www.metrolinx.com/en/regionalplanning/rtp/research/Next\\_Stop\\_Equity\\_Routes\\_to\\_fairer\\_transit\\_access\\_in\\_the\\_GTHA.pdf](http://www.metrolinx.com/en/regionalplanning/rtp/research/Next_Stop_Equity_Routes_to_fairer_transit_access_in_the_GTHA.pdf)).
- *Housing justice* (tower renewal; rental rebirth; reform of Toronto Community Housing) (see a recent special edition of *Alternatives Journal* on the topic of housing affordability, for example, edited by Sean Hertel and Markus Moos).
- *Environment* (While the time honoured politics of the Toronto Environmental Alliance continues to lead the way, a new sub/urban political ecology has emerged around the Greater Golden Horseshoe Greenbelt; Keil and Maconald 2015).
- *Social justice* (Tied to the work on housing and transportation, traditional social justice work continues, especially as the polarization of neighbourhood incomes and community resources continues to widen).
- *Labour and community*. New alliances have been forming between labour and urban groups as was the case in the fight against the Smart Centre development in the Film District (Lehrer and Wieditz 2009), and is currently the case in the struggle to regulate homeshare businesses such as Air BnB (a group called Fair BnB ([fairbnb.ca](http://fairbnb.ca))).
- Lastly, the *fight against police brutality* and carding has perhaps become the signature struggle of the times; Black Lives Matter

have become synonymous with a radical challenge to the status quo in race relations and complex, intersectional injustices.

All of these have traditionally been domains of inner city politics but they are now also inspired by suburban sensibilities as cities are increasingly governed through regions. Whether this continues to mean making city politics more conservative will remain to be seen (Addie and Keil 2015; Keil et al, 2016).

## **Conclusion**

In conclusion, we can speculate at this juncture that Toronto is stuck in the middle. This has a spatial meaning as the city is increasingly defined in its relationship towards the suburban ring that surrounds it, where new centralities are emerging; it is institutional as the city continues to struggle in its minor role in the multi-level state architecture of the Canadian state; and it is temporal as the regime seems to have lost its way and we appear to be entering a period of elite reconstruction. The city, and the province that regulates all its constitutional affairs, were a poster child for the most aggressive form of raw neoliberalization during the 1990s, which led to the competitive city with its dimensions of entrepreneurialism, difference and revanchism. After the pendulum swung left towards a third way-type neoliberalization in the first decade of this century, neoliberal governmentalities were both pushed back and came into their own. During what now appears like an intermezzo, the city took another hard right turn under late Mayor Rob Ford, this time not supported by the all important oversight government at the provincial level.

With the election of Conservative John Tory, who was endorsed by the governing Liberal party, sandwiched between a hard right 35 percent opposition and a regrouping 25 percent on the left, we can expect that Toronto will be rolling with neoliberalism in the region (Keil 2009). The new mayor has placed himself on a continuum of a long term trajectory of elite rule in the city. This constellation of power, space and class has lasted for more than a century, and has shown mostly

impenetrable to (right wing) populist or (left wing) popular challenges. The reform period of 1970-1982 was a bit of an exception, although it was also firmly anchored in the white, upper middle class core of the city. Toronto's *haute bourgeoisie*, mostly Anglo and always white, has kept the reins of power firmly in hand. The Miller years created partial openings towards the creative city of millennials and towards a more progressive and diverse polity; the Ford years shut down those possibilities but did redefine what a diverse electorate might mean for Toronto.

The Tory victory is, at first glance, a return to the continuous temporalities of the past: modernization in moderation will be the motto. A sclerotic regime shakes off some of its dust and the dirt it acquired during the tempestuous Ford era. While the Ford years were all about the inequalities of *space* – suburbs versus the city – we will now hear a lot of terminology that uses *temporal* metaphors. Even before he had entered office, the mayor-elect burst on to the morning radio scene with promises of modernization and a verdict against the “old fashioned” ways of the past. The new slogan is modernization through high tech, procedural innovation (against the ‘old ways’ of the unions and for ‘working together’; against the syndicalist cab drivers and for the business model of Uber). He has since come out in favour of other technological innovation although experts bemoaned his steadfast opposition to taking down the East Gardiner which was considered by many to be the real progressive solution by opening up a pathway for urbanist technologies of a new generation. Words like Big Data, hackathons and the like are dropping like honey from the Mayor’s mouth at any occasion (Hardy 2015a). Startups will be welcomed ostensibly (Hardy 2015b).

Toronto is seen part of “Silicon Valley North” and Tory has been seen as a champion of that idea (Freeman 2016; Pagliaro 2016). We shall see more of that discourse of moving forward as long as it is good for business, customers and as long as it uses high tech. The architect of SmartTrack commuter rail has already made the Smart City his slogan of choice and recently told an interviewer he would be “pushing the city to be smarter because if you have a city that looks like it’s in the 1960s, you

won't attract anything new... I want this place to be the most friendly place in North America for startups and I think it can be" (Tory quoted in Hardy 2015b). Tory specifically touts the multifarious characteristics of Toronto as an advantage: " 'We have here something that is quite unique,' Tory said. 'You are going to be in both the financial and the innovation capital of the country' " (Armstrong 2015).

This is ironic, of course, in more than one way: now the blandest, most elite and WASPish business elite representative who stands for the most longstanding privileges in the city's history, is calling upon others to give up their "oldfashioned" ways in favour of some uncharted course of progress into a high tech, proto-capitalist future of individual accomplishment, corporate welfare handouts, post-political community consensus and economic deregulation. The alternatives of collective consumption, welfare state provision in housing and transportation, democratic decision-making and responsible economic development will, for now, be taken out of the timeline of progress and parked in some temporality of yesteryear. It was suggested that Tory may be a "compromise candidate" (Radwanski 2014). This begs the question, what the compromise would consist of? For now, I interpret it as the continuation and another episode in the sclerotic governance of Toronto. Tory is not going to bring in change that matters. His ticket will be modernization, technocracy and deregulation but it will be in the confines of the elite notions of what the city is about. In Toronto the talk is about space, but the material consolidation of its regime is about time. It is the eternal time of elite reconstruction.

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## **Redefining “Renewal” in Toronto’s High-Rise Suburbs**

Douglas Young<sup>1</sup>

### **Introduction**

In the 1950s and 60s, municipal planners in Toronto set out a clear modern vision of a more urban type of suburb to be developed at higher densities and with more variation in built form than earlier suburbs in the region. A key element in their vision was the high-rise residential building. The planners’ ideas were enthusiastically embraced by public and private sector city-builders with the result that more than 1,100 high-rise apartment buildings were built in the City of Toronto by the early 1980s. Many of them are located in what were once geographically peripheral locations but are now widely referred to as the “inner” or “older” suburbs, descriptive terminology that distinguishes them from newer suburban developments that extend many kilometres beyond them.

Most of the high-rise buildings have long since lost the glamour they derived from their newness (a new way of living in a new type of building in a new kind of suburb). Indeed, today they represent an aging housing stock with extensive building maintenance backlogs and increasingly racialized and low income tenant populations. The neighbourhoods they are situated in are seen to be lacking in the necessities of everyday life: adequate community and social services, good public transport connections, and access to healthy food. The Toronto “inner suburb,” and especially its high-rise rental buildings, is widely perceived to be in decline, but there are very different perceptions of the nature and cause of suburban decline as well as ideas about what

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<sup>1</sup> Douglas Young is an Associate Professor in the Urban Studies program, Department of Social Science, at York University. Email: dogoyo@yorku.ca. This article is based on research that was supported by the Social Science and Humanities Research Council of Canada through funding from the Major Collaborative Research Initiative “Global Suburbanisms: Governance, Land and Infrastructure in the 21<sup>st</sup> Century” (2010-2017). The author would like to acknowledge the research assistance of Will Poppe.

would constitute suburban renewal. Perceptions of suburban decline and renewal in Toronto provide a clear case of the ways in which austerity as common sense shapes local urban policy and impacts everyday life. In this article I consider two different approaches to defining “renewal” in Toronto’s high-rise suburbs, approaches that directly reflect the implications of suburbanizing austerity and alternatives to it.

### **Neoliberal Governance of the In-Between City**

Toronto’s high-rise suburbs are the direct result of planning policy that called for a substantial number of dwelling units to be provided in high-rise buildings. For example, in the 1960s planners in what was then the Borough of North York (now the north-central part of the City of Toronto) prepared District Plans for as yet to be developed areas and stipulated housing targets. In North York’s District 10, of the total 50,000 dwellings to be built, 27,000 (or 54% of the total) were to be in the form of high-rise buildings (North York Planning Board 1967; North York Planning Board 1985). The result is a remarkable landscape with high-rise rental apartment buildings lining arterial roads and grouped into clusters of tall buildings (See Figure 1). Drawing on the work of German urbanist, Thomas Sieverts (Sieverts 2003; 2006), I conceptualize this landscape as an in-between city: a landscape that possesses some elements of “typical” North American suburbia (wide roads, shopping centres, expansive parking lots, neighbourhoods of detached bungalows), but also some elements generally associated with “typical” central city areas (high-rise buildings, concentrations of public housing, high proportion of recent immigrants). This is not, according to Edward Relph, “a suburban anti-city” but rather “a different type of city that has to be assessed on its own terms, an extended city of diverse landscapes and land uses” (Relph 2014: 104).

**Figure 1: The Landscape of Toronto’s In-between City: Strip Retail and High-rise Rental Apartment Building. Photo by Douglas Young**



The 1,189 high-rise residential buildings built across the city in the four decades following WW2 comprise about 300,000 dwellings (or just under 1/3 of the total number of dwellings in the City of Toronto) and are home to at least 500,000 people (almost 1/5 of the City’s total population). Two-thirds of the towers are privately owned; one-third are in the non-profit sector (City of Toronto 2008; 2011). While the suburban towers were initially conceived of as settings for a new and desirable kind of everyday life, they are generally no longer seen in that light but rather as physically worn out and socially stressed. Several recent reports, notably *Vertical Poverty. Declining Income, Housing Quality and Community Life in Toronto’s Inner Suburban High-Rise Apartments* (United Way 2011), have documented the deteriorating

conditions of the buildings, and the increasing racialization and impoverishment of their residents (United Way Toronto 2004; 2011). In a way, the very essence of their in-betweenness shapes negative perceptions of Toronto's high-rise suburbs. They are neither glamorous or new (like central city condos), "close to nature" (like exurban communities), or dense enough to be considered truly "urban" (like pre-war central city neighbourhoods). Instead, Toronto's in-between cities seem to lie in a grey zone somewhere between suburban and urban (Young 2011). Suburban tower neighbourhoods are widely perceived today to be a problem in need of a solution and everyday life in the in-between city's hundreds of high-rises is thought to be in need of a governance fix. In twenty-first century neoliberal Toronto, what shape will that governance fix take?

### **Neoliberal Governance**

My approach to governance questions is guided in part by the work of Theodore and Peck who tell us to challenge an understanding of neoliberalism as "an authorless, omnipresent, and monolithic phenomenon" and to see it, instead, as "a *constructed* project" (Theodore and Peck 2012: 21, emphasis in original). We should "denaturalize neoliberal urbanism as a policy paradigm by exploring its origins, its evolution, and its variegated form" (Theodore and Peck 2011: 21). In a similar vein, Patrick Le Galès and Olivier Borraz advise us to look closely, within a general terrain of neo-liberalizing urban governance, at just what is governed and just who is governed. "What part, sector, group of the city is really governed? What is weakly governed? What is left out? What is escaping government?" (Borraz and Le Galès 2010: 139). Thus the shape of neoliberal governance in Toronto in the first two decades of the twenty-first century reflects a path dependence specific to this particular city region (Boudreau et al 2009).

In the province of Ontario (of which Toronto is the capital), radical neoliberalism under the rubric of a "Common Sense Revolution" was implemented by a Progressive Conservative government in power

from 1995-2003. Within days of their election in June 1995, the new provincial government announced the cancellation of all commitments to build social housing (it should be noted that the federal government had cancelled funding of new social housing construction a few years earlier). That was but the first in an aggressive program of roll-back and roll-out neoliberalization that included deep cuts to welfare payments, equally deep cuts to income tax, the elimination of provincial funding of capital and operating costs of local transit systems, a weakening of rent control (to allow vacancy decontrol and the exemption of newly built units from the legislation), a loosening of planning legislation, the downloading of responsibility for social housing operations to municipalities (with no additional funding provided to support them in doing that), the reorganization of public school board funding, and the forced amalgamation of many municipalities in the supposed interest of efficiency in operations. The implications of the Common Sense Revolution were particularly severe in Toronto, the city with the largest number of social housing units, the most developed transit system, the largest number of welfare recipients, and the best funded education system in Ontario. The amalgamation of seven municipal governments that created a new City of Toronto on January 1, 1998 was considered by many as an attack on the pre-amalgamation City of Toronto Council which had been a vocal opponent of the provincial government’s neoliberal “revolution” and a champion of social democratic urban policy.

Radical neoliberalization led to new crises of governance in Toronto, especially related to housing. The cancellation of new social housing construction has generated a waiting list for subsidized rent-geared-to-income housing that grew to 82,414 households in 2015 in the City of Toronto (ONPHA 2016: 27). The property development industry has largely abandoned building private sector rental housing with the result being an extremely low vacancy rate of 1.6% in 2015 (CMHC 2015). In a city region that experiences annual population growth in the order of 100,000 people, tremendous pressure is brought to bear on all

types of housing but most especially on existing non-profit housing and private sector housing at the more affordable end of the market.

These governance crises are met by new modes of neoliberal governance that Keil calls “roll-with-it” neoliberalism (Keil 2009) and I call, in certain instances, “progressive neoliberalism” (explained below). In Ontario the Common Sense Revolution government was replaced in 2003 by a Liberal government that promised to address the social and environmental crises triggered by the roll-back and roll-out policies implemented by its predecessor. And in Toronto, the progressive candidate for Mayor, David Miller, was elected in 2003. Thus, in the very early twenty-first century, new regimes at provincial and municipal level appeared poised to undo some of the previous regimes’ actions. But as Keil predicted, any new mode of regulation would still be “thoroughly bounded by the limits set through normalized neoliberal governmentalities” (Keil 2009: 238). This follows from Harvey’s description of neoliberalism as a hegemonic “mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world” (Harvey 2005: 3).

Indeed, neoliberalism in Toronto and Ontario has successfully constructed a new notion of common sense with austerity at its core. Budgetary problems at the City are conceived of as spending problems, not revenue problems. Council is reluctant to implement any new taxes or revenue tools that are available for fear of breaching the common sense notion of austerity. Current mayor John Tory promotes a budget freeze which, due to annual inflation, would in fact represent a budget cut (Rider 2016). In a City where the radical Common Sense Revolution was rolled out more than 20 years ago, austerity has become so common sense that alternatives are, for many people, simply unimaginable.

These two theoretical components (neoliberal urban governance and the in-between city) combine to guide my research as a consideration of how to live today with the legacies of a previous era’s urbanism. In other words, how will the legacies of 1960s urban design,

urban planning and housing policy in Toronto’s high-rise suburbs be governed in the context of present-day neoliberalism and its foundation on austerity as common sense?

### **Two Approaches to the “Renewal” of Inner Suburbs Considered to be in Decline**

*Approach 1: Tower Renewal and Progressive Neoliberalism.* In Toronto austerity as common sense shapes one approach to conceptualizing decline in high-rise suburbs and a very particular approach to their renewal. One of the City’s responses to the problem of the inner suburb and its residential towers is the Tower Renewal Program. It originated in a building science class taught at the Faculty of Architecture at the University of Toronto in 2000 that examined the case of Toronto’s post-war concrete apartment towers. The students determined that the buildings have a structural lifespan of 300 to 400 years, having been over-designed by engineers for whom they were, in the 1950s, a new building type. But while the structures will last into the twenty-fourth century, every 50 years or so they will require a complete retrofit of all other building components: exterior cladding, windows, roofs, mechanical systems, kitchens and bathrooms will all need replacement. Many of the buildings are now at the stage of needing their first total retrofit. The ideas explored in the building science class were further developed by a student in his Master’s thesis, picked up by a local architectural firm which hired him upon graduation, and championed by then Mayor, David Miller. In 2008, the City established a Tower Renewal office with a handful of staff reporting to the City Manager.

The initial goal of the program was to create supply side conditions that would entice building owners to rehabilitate their properties: it was argued that building retrofits would reduce energy consumption, improve the quality of life for tenants, and enhance the exchange value of the buildings. Subsequently, the goals of the program have expanded to think beyond the scale of individual buildings to consider the revitalization of Tower neighbourhoods that would include

improved social and community services. To that end, the City established a Tower & Neighbourhood Revitalization Unit in 2015 (Toronto 2015).

The fundamental policy tool that the program hoped to initiate was for the City to establish a financial institution that would make low interest loans to tower owners in order to fund improvements to their buildings. The city would use its good credit rating to borrow large amounts of capital at very favourable rates. In cases of non-repayment of loans, it would use its taxing powers to add the outstanding balance to the property tax bill. But, setting up this institution requires provincial approval which has not been forthcoming to date.

Eight years into the Tower Renewal program we can ask to what extent it has been a success and to what extent it has been a failure. In terms of material improvements to everyday life of suburban tower residents, it has had extremely limited success. The funding that the program has managed to cobble together to date has been minimal. For example, Hi-RIS (High-rise Retrofit Improvement Support Program) is a three-year City of Toronto pilot project for energy conservation upgrades. A total of \$10 million is intended to fund improvements in 10 buildings (Toronto Tower & Neighbourhood Revitalization Unit). Hi-RIS may prove to be a successful demonstration project and inspire other building owners take on energy retrofits of their properties, but what is actually needed, if the goal is to address the entire rental tower housing stock of more than 300,000 apartment units, is funding in the range of several billion dollars. It is clear that it will take more than the power of suasion to kick start tower building upgrades across the entire tower housing stock in the city.

What is distinctive about Tower Renewal as an approach to suburban renewal is that it weaves a progressive strand through what is otherwise a clearly neoliberal project. It acknowledges the importance of retaining the suburban towers as an important stock of relatively affordable housing, and it seeks to improve the material well-being of hundreds of thousands of ordinary people living in the in-between city.

But at the same time it indirectly contributes to the overall shrinking of ambition around affordable housing, and around the capacity of the state to act directly on the crisis of housing affordability. Instead of creating new non-profit units, the focus is on rehabilitating existing affordable stock, most of which is privately owned and all of which will be at risk of higher rents post-renewal. Retention of existing rental housing becomes the defacto affordable housing policy of the city, while creating new non-profit housing quietly disappears from the policy agenda. Tower Renewal is a clear case of “roll-with-it” modes of neoliberal urban governance, modes “that normalize market strategies and emphasize new partnerships of private and non-profit actors” (Abbruzzese forthcoming). It represents a newly constructed articulation of state, market and civil society shaped by austerity as common sense. But the strategic inclusion of a progressive thread makes it all but impossible to oppose this form of progressive neoliberalism even while acknowledging its severe shortcomings.

*Approach 2: The Story of W6CAT and the Power of Saying No.* The Ward 6 Community Action Team (W6CAT) was established in 2010 to represent the interests of low to moderate income tenants living in rental housing on Lakeshore Blvd. West in Mimico, a neighbourhood in south Etobicoke (itself a district that forms the western part of the City of Toronto). In 2006, the local City Councillor had prompted City Planning staff to embark on a planning exercise called *Vision20/20: a Revitalization Action Plan for Mimico*. This exercise was premised on the idea of renewal through private sector redevelopment. The Mimico lakefront, in the eyes of the Councillor, was a neighbourhood in decline that could be revitalized through what was presented as the natural and inevitable process of hyper intensification in the form of new high-rise high density condominium development. Tenants in 1950s-60s era rental buildings that currently line the lakefront feared they would be uprooted and forced out of the community.

W6CAT was one of several community based organizations that countered that view of renewal. What was distinctive about W6CAT was

its focus on protecting affordable housing and in promoting tenants' rights. Key figures in W6CAT were Sandra Van, the Health Promotion Program Coordinator from the local community health centre LAMP (Lakeshore Area Multi-Service Project) who saw housing as crucial to health, and Brenda Bloore, the President of the non-profit Norris Crescent Housing Co-operative who was committed to the principle of housing as a right. I came into contact with W6CAT through my involvement in the "Global Suburbanisms" Major Collaborative Research Initiative (MCRI) based at York University ([http://city.apps01.yorku.ca/?page\\_id=222](http://city.apps01.yorku.ca/?page_id=222)) and saw an opportunity for active research in which I could contribute something to the group's project. When W6CAT members expressed frustration at the limited public consultation the city was prepared to undertake as part of its planning work in Mimico, I suggested that they undertake their own parallel planning exercise and call it a Peoples' Plan for Mimico that would force the City planners to at least acknowledge their presence and their ideas. One striking event W6CAT organized was an all-day Peoples' visioning exercise that drew 30 residents to the local library where they spent a Saturday afternoon talking about their neighbourhood and its future (See Figure 2).

In effect, what W6CAT did was attempt to shape a counter-hegemonic discourse around planning and neighbourhood renewal. Their goal was to challenge the fundamental assumptions underlying the Mimico 20/20 process: the equation of community renewal with market-led property intensification; the limitation of affordable housing policy to retention of existing rental stock; the unspoken assumption that neighbourhood gentrification is a positive outcome; and the superficiality of most public planning consultation processes. Eventually City Council approved the "Mimico-by-the-lake Secondary Plan" (a neighbourhood scale Official plan) which clearly bears the imprint of citizen activism in that the Councilor and major property owners are unhappy with the restrictions it imposes on any new developments.

Figure 2: Poster Advertising the Peoples Plan Vision Workshop That Was Held on Saturday March 26, 2011. Reproduced by permission of W6CAT.

Join us for a free Lunch at 12:30 pm

**Vision**

You talk, we listen!  
We need your help!  
Tell us how you  
want to see  
Mimico by the Lake  
revitalized.

If we all put our heads together  
there's no telling what we can do!

**Peoples Plan Vision Workshop**

**Saturday, March 26**  
12:30 pm to 4 pm

**MIMICO CENTENIAL LIBRARY**  
47 STATION ROAD, ETOBICOKE

For more information  
call: 416-252-9701  
ext. 405  
Email or check out  
our website.

Childcare (Junior CATs Club)  
and tokens provided.

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**Ward 6 Community Action Team**  
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W6

SOUTH ETOBICOKE  
Community Legal Services

United Way  
Greater Toronto

## Conclusions

Tower Renewal and W6CAT represent two different approaches to suburban decline and renewal in an age of austerity. Tower Renewal is an example of what I call progressive neoliberalism, a fundamentally neoliberal project that includes a thread of progressivism that serves to

make it very difficult, if not impossible, to oppose it. In contrast, W6CAT is a counter-hegemonic attempt to unseat the austerity-based new common sense. I present it as a success story but caution that its achievements may not be widely reproducible. W6CAT's success is linked to the combination of a number of specific factors: the two community leaders (Sandra Van and Brenda Bloore), a tradition of community activism in the neighbourhood; widespread organic long term knowledge of the district and relevant planning reports and policies stretching back several decades; the fact that Mimico was a separate municipality until 1967 (at which time it was absorbed by Etobicoke which, in turn, was merged into the new City of Toronto in 1998) which fostered a strong sense of a community identity and culture. Nevertheless, W6CAT's success does suggest at least the potential power of saying no to austerity.

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## **A Beautiful Community, But a Troubled City: Flint's Water Crisis**

Otrude N. Moyo<sup>1</sup>

### **Introduction**

I moved to the city of Flint, Michigan in the summer of 2014. It was, by all media accounts, a distressed city, struggling under a weight of public troubles.<sup>2</sup> This essay is personal. It is about how the crisis unfolded for me. I was drafted into the black community (which is my community), however, whiteness continues to shape both our reality and the outcomes of our lives! The irony is that I moved from Eau Claire, Wisconsin a city reported as the safest city in the United States because of its whiteness. However, I had no community in this safe city; now, in troubled Flint, I do. Nonetheless, this is not the gist of this essay. My discussion relates to the impact of racialization, neoliberal politics and its incapacity to resolve society's racialized inequalities. The Flint Water Crisis is a microcosm of these larger issues.

Historically, in the United States, racialization (the process by which certain population groups are singled out for negative treatment on the basis of real or imagined characteristics) has shaped and continues to reshape cities' landscapes, people's lives, and well-being outcomes, including physical and mental health, education, gainful employment, housing, financial security and so forth. One major area of this reshaping is the politics surrounding the curtailment of investment in black neighborhoods and the government's assistance for companies to move out of predominately black neighborhoods (which were created by government through segregation policies in the first place). Currently, with increased globalization and businesses seeking comparative advantage by relocating their enterprises to areas of cheap labor, as well

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<sup>1</sup> Otrude N. Moyo is Associate Professor of Social Work at the University of Michigan-Flint.

<sup>2</sup> See Bosman and Davey 2016

as cheaper production costs, the Michigan government enabled this move of industry out of predominately black cities, thereby imposing economic famine accompanied by violence, fear and related public troubles.<sup>3</sup> It is no accident that cities like Flint and Greenville Michigan became ‘ghost’ towns with deindustrialization. The disturbing part is that government (at various levels) and business leaders knew that in the presumed new knowledge/technology economy employment opportunities would flow away from cities like Flint to the suburbs, pitting Flint with its dwindling resources, against suburbia, with no plans to mitigate the devastating impact of the divestment. The shifting economic structure was borne by the most vulnerable – always people of color in places like Flint. At a personal level, I know my white colleagues who moved from Flint to neighboring suburbs did so because the city was no longer looking like them. When the city was white it offered cultural identity and a sense of belonging. White flight, coupled with the loss of manufacturing industry in Flint meant the loss of a tax base to keep up with the maintenance of the entire infrastructure.

Currently, Flint, like other cities in the United States experiencing deindustrialization, suffers from high unemployment, particularly for its young adults. Those who experience disproportionate unemployment are predominately black.<sup>4</sup> Today, a racialized black city is seen as an obstacle to attracting business. In this regard, my relocation to Flint was mixed but it brought to the fore the realization that whiteness and neoliberal politics were a problem for black populations, who find their efforts to construct community and attempt to live their lives obstructed by institutional racism and neoliberal politics.

In my experience, Flint is by and large a city inhabited by individuals who labor seven days a week in more than two jobs just to

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<sup>3</sup> See the documentary *Unnatural Causes, Is Inequality Making Us Sick (Episode 7, Not Just a Pay Check)* describing the deindustrialization of Greenville, Michigan. A similar story with the auto industry’s movement away from Flint, Michigan.

<sup>4</sup> See Labor Statistics highlighted in Highsmith 2015

obtain basic necessities. These workers and their families are reduced to a life of bare subsistence. Flint's water crisis – lead in its tap water – is linked to a deindustrialized city now reeling in poverty, facing a mass exodus of its affluent tax base, which accentuates the existing social inequities and on-going environmental injustice (Gostin, 2016). In addition, the Flint water crisis is linked to the neoliberal politicking at the state government level. The state assured residents that its takeover of local municipalities would cure all local government ills. In reality, less taxation, more stringent tax policies for municipalities, and cuts in revenue sharing have all contributed to the troubles facing the city of Flint today (see Michigan Municipal League 2014).

To give another discursive lens to Flint's woes, Engel, Sterbenz and Erin Fuchs (2016), writing for the *Business Insider* show how Flint became one of the most dangerous cities in the United States. Citing homicide numbers based on FBI crime statistics as the major factor associated with the ranking of Flint as the United States' most dangerous cities. Flint with a population of 99,000 people had 30 homicides and 1,694 violent crimes in 2014 (Engel, Sterbenz & Fuchs 2016 quoting MLive media). If Flint is a dangerous city, it is particularly so for women. Usually I walk to work. I remember my first fall in Flint. One evening I was coming from one of my night classes, it was already dark at 9pm. As I walked home, a car pulled up close to me. Startled, the person in the car called me out: "Professor Moyo don't you know that you cannot walk alone at night in Flint as a woman?" Peering through the dark I realized it was one of my students. I remember making a light comment about a situation that still terrifies me to this day – being caught up in gun crossfire. I lightly responded to the student that I was alright, getting closer to home, as I pointed towards my building and jokingly said, "I am taking back the night!" Still concerned, the student drove slowly and watched me until I got home. Refusing to live with fear, I still walk to work and I notice more and more people are walking my Flint streets too. Again, this is another lens of the troubles of Flint.

### **Flint Water Crisis Unfolds Within Neoliberal Politics**

The Flint Water Crisis unfolds within a political economic landscape dominated by neoliberalism, an ideology that drives our lives, yet is rarely named as the root of our city's problem. I use Elizabeth Martinez and Arnolando Garcia's (1993) definition of neoliberalism to refer to a set of economic and political policies based on the strong faith in the beneficent effect of free markets. It is an ideology in which the existence and operations of the market are valued in themselves and where the operation of a market-like structures is seen as the only way of doing things. It is also an ethic, presently used as a guide for all human action, and substituting for all other existing ethical beliefs.

According to Martinez and Garcia (1993), the rule of the market is supposed to liberate private enterprises from any bonds imposed by the government/state no matter how much social and environmental damage it causes. Attempts to regulate and limit the damage of market competition are treated as inimical to liberty. In this mantra, neoliberalism has advanced policies that cut public expenditure for social services, reducing spending in education, and public assistance to people who are poor, and spending on infrastructure (including water), in the name of reducing government's role. The only increased spending is on law enforcement and the military. However, with exceptions of racialized places like Flint, law enforcement officers' numbers are usually lower.

On the community side, neoliberalism is presumed to undermine the concept of public good or community, replacing it with individual responsibility (Martinez & Garcia 1993). Monbiot (2016) asserts that under neoliberalism inequality is recast as virtue, a reward for its social utility as a presumed a generator of wealth. However, the most disturbing part of neoliberalism is the racialization of political decisions, actions that are tantamount to illiberal democracy and contributing to continued harms to communities that have historically suffered cumulative harms. If neoliberalism relates to policies that undermine citizenship, community and overall wellbeing, a discussion of the role of neoliberal politics in the Flint Water Crisis is essential. The Flint Water

Crisis is a microcosm of the impact of racialization, neoliberal politicking, and structural inequalities on people's lives. Before we address these factors, let us consider briefly the details of the Flint Water Crisis.

*Flint Water Crisis: A Synopsis.* I got to learn about the Flint Water Issue on October 13<sup>th</sup>, 2014 when Ron Fonger wrote that General Motors (GM) Flint Engine Plant on Bristol Road was shutting off access to the Flint River over corrosion worries. The plant was moving away from contracting Flint City for its water. According to Lederman, the city of Flint had purchased treated water from Detroit since 1967, but in 2014, in an effort to save money, emergency manager Darnell Earley made the decision to switch Flint city's water supply from Detroit to the Flint River. Claims remain that the decision to switch the water supply was approved by city council members. However, city council officials deny this claim and argue that the city was already under the emergency manager and they as city officials held no power on this decision. Nonetheless, the decision to switch to the Flint River water led to disastrous outcomes for the city's residents, setting off a chain of health problems including lead poisoning particularly for children who drank the water (Lederman 2016).

Prior to this, residents had complained about the foul smelling and horrid taste of Flint City water. Over the summer of my move to Flint there were three boil water advisories. In the coming months I would receive my water bill and statements from the city that the Flint River Water was healthy. These assurances were confirmed by the Michigan Department of Environmental Quality: they insisted that the Flint River water was within public health guidelines. I would attend several meetings where residents would talk with city officials about the water issue, but city officials would assure the public that the water was safe and/or dismiss the residents' experiences. These experiences led to further distrust of city and state government. I personally had to buy drinking water, while I engaged a personal protest "not to make payments of my water bill". I debated shutting the water off and

installing a water bowser but would ultimately cave in to threats from non-bill payment. In terms of claims-making, it would take an outsider to the city of Flint, researcher and professor of Engineering from Virginia Tech taking water samples from various homes in the city to confirm high levels of lead in many city homes. It would take a local physician reporting high levels of lead in children's blood and the national media spotlighting the water crisis in Flint before the issue would receive both state and federal attention. For a city that is predominately black, claims of the Flint water crisis would be ignored until these outside experts intervened.

### **Flint Water Crisis and Neoliberal Politicking**

*Loss of State-local Government Revenue Sharing: The Deeper Problem in Flint.* Lederman (2016), quoting Anthony Minghine (2014), highlights the loss of revenue sharing from state to local authorities as the major contributor to the decimation of Flint City's revenue and consequently, problems with infrastructure maintenance, including provision of healthy water. The table below highlights the revenue sharing dollars diverted by the state away from municipalities and/or local authorities in the State of Michigan (Michigan Municipality League 2014). The State of Michigan's revenue sharing policy consists of both constitutional and statutory payments. The constitutional portion consists of 15% of the gross collection from sales tax – 4% is distributed to cities, villages and townships based on population. The constitutional portion of the payments are set by the state constitution, and the legislature must appropriate whatever is calculated (Michigan Municipality League 2014). On the other hand, the statutory portion of the revenue sharing has been traditionally distributed by a formula. The governor and the legislator have the discretionary ability to adjust the formula, hence the amounts distributed. The table below shows the revenue sharing dollars diverted by the state from select Michigan cities, including Flint since 2003.

Figure 1.

## REVENUE SHARING DIVERSION

Revenue sharing dollars diverted by the state from select Michigan cities since 2003.



Sources: Michigan Municipal League;  
Michigan Department of Treasury

(Edward Riojas/MLive.com)

Commenting on the diverted revenue sharing dollars (Sapotichne, Scorsone & Henion 2016) assert that the Flint Water Crisis reveals a deeper problem in Michigan's fiscal policies. According to Minghine (2014), between 2003-2014 the city of Flint lost 60 million dollars in revenue sharing from the state. However, neoliberal politicking tends to hide the fact that the State of Michigan is using statutory revenue sharing funds to balance its own budgets and pay for cuts in business taxes. Lederman (2016) explains further that unlike constitutional revenue sharing, state authorities in Michigan can divert statutory revenue sharing resources at their discretion. Minghine (2014) writes about this phenomenon in this way: "The state is trumpeting its sound fiscal management and admonishing local governments for not being as

efficient. What the state fails to mention is that it balanced its own budget on the backs of local communities.”

The gimmicky nature of neoliberal politicking is reflected in the very fact that cuts in revenue sharing increased with the state’s political contribution to the Republicans after the defeat of Democrat Governor Jennifer Granholm (Lederman 2016). Austerity measures, claims about cities living beyond their means, and posturing about less taxes as sound government, ruled in tandem. With cities like Flint in financial crisis, state authorities required market-friendly reforms, including spending cuts in education and human services that were either consolidated or privatized. Under this neoliberal politics, Lederman notes that Flint, like other Michigan cities, were positioned as competitive businesses providing products to their citizen-consumers, except Flint City is seen as an obstacle to progress.

*Neoliberalism, Racialization and the Rise of Consumer Citizens: Illiberal Democracy Pushed on Flint.* Rachel Slocum (2004) notes that scholars of citizenship have noticed a shift in Western democratic nations whereby citizens are now addressed as consumers (2004:763). What has happened to the citizen turned consumer is crucial to an understanding of the situation of Flint. The distinction between the citizen and consumer might also point towards a way for other cities to address their social issues. Within a political economic environment where “cash is king,” the presumed “economic man” is one who sees himself as motivated by the desire to satisfy wants. This works for those who see themselves as privileged consumers and can manage the consumption. A consumer without “financial means” becomes an obstacle to progress where most relations are commoditized. Could these consumers without means have a voice in the polity?

Layered in this formula is a consumer without means who is Black, could they have voice? The Flint residents, because of unemployment and poverty became citizens without purchasing power. These citizens, in the context of neoliberal politicking, are relegated to the status of what Giorgio Agamben (1998) calls “*homo sacer*,” an

ostracized and excluded citizen without a voice, even when a basic need like water is contaminated with lead. The plea of citizens turned consumers were ignored. There is no use for the adage the consumer/customer is always right in this part of Michigan. In this case, the embedded messages were that “If you don’t like it in Flint just move elsewhere”, a strategy used by local elites to “shrink the city”.

In Flint, the notion of citizenship is turned on its head. The ideal exercise of citizenship is for one to exercise one’s rights and responsibilities to shape one’s life. Under neo-liberalism, citizens are stripped of their voice, government deceit fuels distrust. An example: my recent Flint Water Annual Quality Report (2015), states the following: “The Flint Water Treatment Plan is responsible for providing high quality drinking water but *cannot control the variety of materials used in plumbing components.*” The city is now distancing itself from the problem it helped create. Today the public problem of lead in the drinking water is turned to individual household water lines. The above line “*the city cannot control the variety of materials used in plumbing components*” taken from my bill, is a statement of denial of responsibility for the misdeeds that led to the water crisis. There is hardly any moral outrage about the problem in this statement. It is a perfect example of the neo-liberal tactic of making individuals responsible for social problems. As a consumer, such statements are meant to silence citizens, however, this has a negative effect as such statements continue to fuel citizen distrust of government.

Also, I understand the idea of citizenship as linked to people experiencing their freedoms as an exercise of participation in power for the common good: where the law protects the rights of individuals. As taxpayers, it is our right as residents of Flint to have clean and healthy water (a common good), and as consumers it is our right to have clean and healthy water. However, these rights are undermined today in Flint. Fareed Zakaria’s (1997) term illiberal democracy is useful to highlight the way in which neoliberalism is undermining these rights, which are the basis of liberal democracy.

Further, in an environment where corporations are turned to individual entities – corporations today have more rights than people – government officials today protect the interests of businesses at the expense of people’s well-being. Politicians out for votes deliver their sales pitches as if they were in the marketplace: “vote for me I promise no taxation!” so the mantra goes. This kind of politics has less goodwill for the definition and implementation of the common good. Moreover, this language is irresponsible – in states like Michigan with restrictive fiscal policies, where is the money going to come from to maintain deteriorating infrastructure? Yet, Hacker and Pierson (2016) reminds us that our well-being depends on effective public policy. Was the decision to switch the water from Detroit to the Flint River an effective public policy? Andrew R. Highsmith (2015) in his book *Demolition Means Progress: Flint, Michigan, and the Fate of the American Metropolis* articulates well Flint’s historical experience with ineffective public policy.

*Bankruptcy in Ethical Decision Making: Appointment of Emergency Managers.* In the prevailing environment of loss of statutory revenue sharing, citizens were turned into consumers without a voice. Flint city’s financial challenges resulted in the appointment of emergency city managers by the governor – basically emergency city managers were contracted to get the city out of financial troubles. State officials argued that the appointment of emergency managers was a means to rescue residents from failed local elective leadership. The assumption, according to Scorsone, was that “the state can do it better...the state can take over local government and run it better and provide the expertise.” Berman (1995) asserts that the general objective of state intervention has been to restore financial stability to the local authority. In the Flint case, the state failed to “do it better” but instead plunged the residents of Flint into a human-made environmental injustice. Today, many people in Flint have elevated lead levels in their bloodstream. City governance thus harmed the people they were meant to protect. On the negative impact of state takeovers, Berman writes that the appointment of emergency managers is itself not a bad thing. However, I find the lack of consultation about the

decision to do so illiberal. If we look at predominantly African-American communities, we see that the appointment of emergency managers has resulted in greater distress for those communities. The distress experienced in these neighborhoods speaks to the racialization of the political economy – the cumulative exclusion of the political interests of African-Americans. Since current neoliberal politics cause harms to Black citizens, a new ideology is required to encourage a politics that takes into account the differential impact of policies and decisions on population groups that have historically experienced harms and disadvantages.

Further, I do not believe that the emergency manager consulted residents or experts to understand and communicate the pros and cons of their decision to change Flint city's water supply from Detroit to the Flint River. In my view, there was not enough consultation with various stakeholders, including city engineers, to understand the impact of switching water systems. A city like Flint with a history of high socio-economic and racial differentiation, needs leaders that are attentive to the historically cumulative disadvantages suffered by African-American residents, rather than decision making that accentuates this differentiation. In its paternalistic role the state becomes a benevolent father presented as willing to help, yet silencing the very people it ought to be helping.

The state and its authorities failed to uphold their responsibility to the marginalized people of Flint and to recognize how their decision would impact everyday life in the community. I teach policy, and one of the important considerations in any ethical decision-making process has to be how the proposed policy will impact the most disadvantaged. It does not seem that this principle was considered in the state's decision to switch the water supply from the Detroit to the Flint River. No one challenged the state official's certainty about this crucial decision, and this lack of critical scrutiny reinforced the injustice imposed on the community. It was an outright refusal to listen to the voices of those who would be most harmed by the switch in the water supply. Since the

overwhelming majority of affected people were African-Americans, it is clear that racism played a role. The reality of racial inequality in Michigan – its embeddedness in the everyday working of government – reproduces the historical injustice long suffered by African-Americans.

*Who Defines Revitalization of Flint Under Neoliberal Politics?*

The revitalization of a neoliberal city does not mean that it is recreated in the interest of the majority of its citizens. Rather, as Doreen Massey argues, the neoliberal city is defined by elites, and its “revitalization” means that the city as a whole is claimed by a few (Miles 2012: 216). Neoliberalism expressed in the everyday life of Flint, as represented on my typical street, has meant threats to health and cut backs to public spending on such crucial community services as libraries. A new city emerges – a “corporate landscape” for leisure, streets turned into walking/running pavements, after every event plastic water bottles litter the environment and food places dot the main street for foodies looking for places to go. For the poor and racialized it means displacement and marginalization. Even my novice students understand that for any decision to be just it has to weigh the costs to its most vulnerable populations – this derives from Rawlsian ethics. Neoliberal ethics disregards justice in favour of cost saving and, as such, continues to undercut human needs.

Local non-profit organizations and foundations have been crucial in the rebuilding of Flint as well as filling in the gaps left by governmental agencies in terms of social service provisioning. However, their historic strategy of categorizing populations to receive assistance instead of a universal and/or institutional approach is likely to continue the socio-economic differentiation of the population. Recently, I received a letter from the department of health and human services outlining that if I was pregnant and had children who had ingested Flint water for a particular period I may be eligible for some public assistance. Whilst this is a crucial strategy in targeting interventions of the water crisis to those most at-risk, children and pregnant women in a city like Flint experiencing multiple complex problems requires a rethink in politics of

selective intervention, which is promoted by neoliberalism. Indeed, politics of selective intervention strategies are easier and more palatable but the question of reach remains.

### **Concluding Remarks**

The issue of the Flint water crisis is complex and is inseparable from the history of racialization of the city. Although Flint is a largely Black city, the people who run the show and determine the outcomes for people's lives remain white. This leadership continues to use neoliberal politics to further its interest whilst undermining the value of citizenship of those who have historically experienced differential disadvantages. Some of the problems, like Michigan state fiscal policies, are not quite apparent as issues contributing to the lead problem in Flint's water. However, for effective policies and interventions that actually solve structural problems to be pursued, it is imperative that the voices of the whole community, but particularly its poor and racialized members, be heard. I personally came to live in Flint, a beautiful community but a troubled city, and my hopes have been to become part of the difference making. I remain optimistic and believe that people can make good things happen. The Flint water crisis is a paradigm case of the moral bankruptcy of current neoliberal politics as it systematically fails to address human well-being.

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## Do Efforts to Mitigate Gentrification Work? Evidence from Washington, DC

Carolyn Gallaher<sup>1</sup>

### Introduction

We don't usually think of austerity<sup>2</sup> as something that happens in booming cities. This is true even for cities like Washington, D.C., that have recent experience with formal austerity. Although Washington, D.C., was placed in federal receivership in 1995 and stayed there for six years, it is now more likely to appear on internet lists like "America's Coolest Cities" (Carlyle 2014), "The Most Walkable Urban Metro Areas" (Leinberger and Lynch 2014), and the "Most Expensive US cities for Renters" (Avakian 2016). As the latter list suggests, however, recovery often creates a new type of austerity<sup>3</sup> for poor and working class people. Instead of formal austerity (imposed in D.C.'s case by Congress), today's austerity is more informal, often the result of cities' decisions to foster development at all costs. In D.C. this austerity among riches is most

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<sup>1</sup> Carolyn Gallaher is Associate Professor in the School of International Service at American University. Email: caroleg@american.edu

<sup>2</sup> The dictionary defines austerity as "a situation in which there is not much money and it is spent only on things that are necessary." In the context of governance, austerity usually refers to a package of policies and laws that govern how budget deficits will be trimmed and services will be prioritized. Austerity can be imposed by outsiders or willingly adopted by insiders. In DC austerity was externally imposed by Congress. Indeed, Congress (with the president's approval) decided to put the city into receivership despite opposition from its mayor, city council, and a majority of its citizens.

<sup>3</sup> Austerity can also be a side effect of policies unrelated to budget cutting. When DC was released from congressional authority in 2001, for example, the city's government adopted a number of policies designed to attract new residents into the city in an effort to grow the city's tax base. Most of these programs involved long-term investments. However, the city's efforts to attract new residents coincided with the housing bubble and an influx of cash from the federal government's post-9/11 terrorism-related spending. The result was not just an increased tax base, but intense gentrification. Although the city's leaders did not plan for gentrification, at least in the early years, they can be faulted for ignoring the consequences of it in later years.

notable in the housing market. Although the average income for the city's poorest residents fell between 2007 and 2014, the city's housing costs continue to rise (Tuth 2016). In 2016, the median home price in the District was over half a million dollars (\$534,900), while the median rent was \$2,220 for a 1-bedroom apartment and \$3,140 for a 2-bedroom (Woo 2016).

A key question that bedevils gentrification scholars is how to stop or at least mitigate gentrification so that it does not lead to the displacement of in situ residents. Most scholars have advocated for measures that help people step outside of, or work against, the market principles that sustain gentrification. These measures include limited equity co-operatives, organized squatting, and community land trusts, among others (Huron 2012; DeFilippis 2004; Martinez 2009; Springer 2016). In this paper I look at a market-oriented solution to displacement, a one of a kind statute in Washington D.C., called the Tenant Opportunity to Purchase Act (TOPA). TOPA stipulates that if a landlord signs a contract to sell a residential apartment building, tenants have the right to refuse the sale and to purchase the building instead for the contracted sale price. The goal of the statute is to mitigate displacement by giving tenants economic leverage during periods of gentrification (Eisen 1993).

Although right-to-buy programs are usually defined as neoliberal and thus viewed with suspicion by critical scholars, I argue here that TOPA is better seen as an assemblage of Keynesian, social justice and neoliberal imperatives. As such, activists and advocates in the city have been able to use a market-oriented solution to non-market ends. As I explain in the conclusion, though TOPA is unique to D.C., it provides lessons for how critical scholars might approach urban policies that are ideologically imperfect but helpful to vulnerable populations nonetheless. Indeed, in a strategic sense supporting policies that are "less than perfect" but "good enough" signals the importance of achieving smaller 'wins'. Thwarting or limiting the worst of neoliberal urbanism may not amount

to final victory, but it does deliver tangible benefits to its victims nonetheless.

### **Why D.C. Enacted TOPA**

TOPA was crafted in 1980 in response to a wave of gentrification just outside the city's downtown core. As property values increased, landlords began selling their apartment buildings to developers interested in converting them into condominiums. Condos were a relatively new form of housing at the time – the Federal Housing Administration only began insuring mortgages for individual units inside of multifamily buildings in 1961 – but, they quickly became an ideal investment vehicle in cities, where land available for horizontal development is relatively scarce (Stray-Gundersen 1981; Lassner 2009, 2012).

Not surprisingly, the boom in conversions resulted in high and concentrated levels of displacement. The city's paper of record, *The Washington Post*, covered the conversions extensively, paying special attention to displaced renters (Robinson 1980; Weiser 1980). Housing advocates also chimed in, asking the city to step in to protect elderly tenants and other vulnerable residents, many of whom had lived in their apartments for decades. In response, the city council issued a temporary condo conversion moratorium in 1979 (Richburg 1980). A local business group sued the city, however, arguing that the measure was unconstitutional because the city had used its emergency powers to introduce the bill.<sup>4</sup> The court ruled in the plaintiff's favor, so the city council went back to the legislative drawing board (Whitaker and Camp 1979).

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<sup>4</sup> In 1973 Congress passed the District of Columbia Home Rule Act, which gave the city the power to elect its own mayor and city council. The Act came with restrictions, however. Congress can veto legislation passed by the city council and approved by the Mayor. Although the Home Rule Act allows the city council to pass legislation without congressional approval for legislation meant to handle emergency situations, a business group challenged the city's interpretation of conversion displacement as an emergency.

In June of 1980 the council voted on a new legislative solution to conversion-related displacement – the Rental Housing and Conversion Sale Act (RHCSA).<sup>5</sup> Once the mayor signed the bill, it was submitted for review to the U.S. House of Representatives Committee on the District of Colombia.<sup>6</sup> Although the Committee’s chairman, Charlie Wilson (D-TX), was opposed to the bill (ostensibly on free market grounds<sup>7</sup>), he was unable to rally sufficient support to veto it. As a result, RHCSA became law in September of the same year.

RHCSA includes two parts – the Conversion of Rental Housing to Condominium or Cooperative (CRHCC) and the Tenants Opportunity to Purchase Act (TOPA). The first part – CRHCC – states that a property owner may only convert a rental accommodation to condominium with the permission of a majority of its leaseholders (50% plus 1 of total units). The owner must hold a formal election and report the results to the city agency in charge of administering the program. The second part of the bill – TOPA – gives tenants’ associations the right to refuse a contracted sale of their apartment building and to purchase the building instead for the contracted sale price. The tenants may then decide if they want to convert to a co-op or condominium or keep their building rental.

## How It Operates

Readers may wonder how tenants can afford to buy an entire apartment building on their own. Indeed, many of the city’s tenants have

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<sup>5</sup> Rental Housing Conversion and Sale Act of 1980, Tenant Opportunity to Purchas Act, D.C. code §42-3404.02.

<sup>6</sup> As I note in footnote 3, Congress has the power to veto legislation passed by the D.C. city council and signed by its mayor. Today the U.S. House of Representatives’ Oversight and Government Reform Committee is charged with reviewing District legislation.

<sup>7</sup> Because TOPA was a one of a kind bill, there was little evidence from other cities that critics could use to justify their opposition to the bill. As a result, the bill’s opponents resorted to a ‘guilt by association’ tactic, equating the bill with the city’s rent control statute, which was unpopular in real estate development circles. For more detail on the congressional review of the TOPA statute, see my review (Gallaher 20016) or the transcript of the hearing cited in the bibliography.

low or moderate incomes. And even in relatively well-off buildings, tenants' associations rarely have existing bank accounts or credit reports that would allow them to qualify for private loans. The TOPA statute accounts for tenants' uneven footing in the market by allowing tenants' associations the right to either sell or assign their TOPA rights to a third party that can help tenants with financing. By practice, third parties are usually developers. In mixed income buildings tenants often work with for-profit developers, while tenants in low income buildings are more likely to work with non-profit developers. The city also offers financial assistance for low income tenants going through the TOPA process, including bridge loans to help tenants' associations cover acquisition costs while long-term financing and grants are arranged to help individual tenants pay closing costs on their units.

Because tenants can choose who, if anyone, to assign their right of first refusal to, they can also negotiate with multiple developers before choosing a partner. During this phase tenants' primary concern is usually to keep their housing costs affordable and/or stable. In buildings where tenants want to convert to a condominium or co-op, this means negotiating for so called 'insider prices' for tenants who want to purchase their units. Insider prices are usually below market, although the degree to which they are below market can vary (Gallaher 2016). Tenants' associations that plan to keep their buildings' rental also want to keep their housing costs stable. Although the city's rent control statute should theoretically prevent against steep rent hikes<sup>8</sup>, the statute does provide five categories<sup>9</sup> under which landlords may petition to raise rents above

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<sup>8</sup> Every May Washington DC uses a "rent control CPI" (consumer price index) to establish the maximum annual rental increase per year. Between 2010 and 2016 the rent control CPI has ranged from 0% (2016) to 3.6% (2012). For historical comparisons since 2012 please see the following factsheet from the city's Office of The Tenant Advocate: [http://ota.dc.gov/sites/default/files/dc/sites/ota/release\\_content/attachments/2016%20History\\_of\\_SS%20COLA%20vs%20RHC\\_CPI\\_OTA.pdf](http://ota.dc.gov/sites/default/files/dc/sites/ota/release_content/attachments/2016%20History_of_SS%20COLA%20vs%20RHC_CPI_OTA.pdf)

<sup>9</sup> DC allows landlords to petition to raise rents beyond the state caps for 5 reasons: hardship, capital improvements, services and facilities, substantial rehabilitation, and voluntary agreement. For more detail see the following factsheet from the city's Office of

permitted amounts. Tenants associations can, therefore, demand that potential partners agree to forgo petition requests before striking a deal.

Tenants in both scenarios also negotiate for improvements to their buildings, many of which have been subject to disinvestment. Tenants can ask for structural improvements, such as new windows (to block traffic noise and retain heat), central heating and cooling (to replace outdated radiators and window AC units), and repairs to roofs, foundations and joists. Tenants can also ask for amenities such as fresh paint, new landscaping, updated furniture for common areas, and rooftop decks. Developers also negotiate for things. Non-profit developers, for example, do not need to make a profit, but they do need to break even for a partnership to work. So, they may negotiate to do repairs over a longer time frame, or to forgo amenities. Non-profits who want to help tenants become homeowners can also require that tenants take steps to ready themselves for homeownership before agreeing to partner with a tenants' association.

For-profit developers, by contrast, have a more singular goal – making a profit. As such, they usually request the right to offer tenants so called buyouts – a payment given to a tenant in exchange for agreeing to waive her right to stay put. In buildings converting to condominium or co-operatives, developers can sell bought out units at market rates.<sup>10</sup> In buildings staying rental, bought out units should be shielded from steep increases because of the city's rent control statute. However, if developers believe rent control caps will not produce sufficient profit, they can negotiate for the right to submit one of the petition requests discussed above. In recent years developers have negotiated for the right to submit “voluntary agreement” petitions. Unlike other petition categories that require developers to show the need for substantial (and

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the Tenant Advocate:

<http://ota.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/RentControlFactSheet2013.pdf>

<sup>10</sup> Although developers usually want to sell as many units as possible at market rates, DC's booming housing market means they can still make handy profits when agreeing to discounted units for tenants staying put.

costly) repairs, VAs allow landlords to raise rents above the cap if 70% or more of their tenants agree to the increase. Under normal circumstances, tenants will reject VAs, but the calculus often changes in buildings where tenants are trying to use their TOPA rights. Indeed, tenants who need third party financing will consider VAs if the potential partner promises to only raise rents to market rates in units that are bought out. As one local journalist (DePillis 2012) explained, in situ tenants often agree to VAs because they “raise rents on future tenants, who aren’t around yet to protest.”

### **Does TOPA Work?**

Although TOPA has been in place for 40 years, we do not know the extent to which it has mitigated displacement. A primary reason is the city’s failure to track the program.<sup>11</sup> The city does not, for example, collect data on how many tenants’ associations invoke their TOPA rights. Nor does it track how many associations choose to convert versus remain rental. Without these numbers, it is difficult to measure how many tenants have used TOPA to stay put in temporal or spatial terms (e.g. during the real estate boom or in a particular neighborhood). D.C. think tanks have tried to fill in these data gaps by looking at tenants’ associations that receive city assistance to buy their buildings (Reed

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<sup>11</sup> The city recently announced that it is building a database to track tenants’ associations going through the TOPA process. Why it has taken over 35 years to do so is a matter of debate. One explanation is that the failure to collect data on the process is consistent with how the city’s bureaucracy was run at the time. Fisher (2011) argues, for example, that city leaders used to treat the bureaucracy as an “employer of last resort,” so professional standards were in short supply. Another explanation is that the city saw TOPA as a private rather than public solution. That is, the city saw its contribution as providing a right to its citizens rather than a durable good or service that could be tracked. Politics provides a third explanation. Critics contend that the city agency in charge of TOPA oversight has long been beholden to developers. During the height of the real estate boom one city councilmember described the agency as “fully captured” by special interests (Grim 2006).

2013).<sup>12</sup> While tracking how well low income tenants use TOPA is important – after all, these are the very tenants the statute was designed to help – it gives us only a partial picture. Specifically, we need to know how well TOPA works in mixed income buildings, where tenants have economically varied interests that could make consensus difficult to reach.

A second problem is that there is no clear baseline for measuring the success of right-to-buy schemes. Although advocates often see purchase as an indicator of success, the experience of tenants who purchased their homes when Margaret Thatcher privatized Britain's public housing suggests home ownership can create as many problems as it solves (Forrest and Murie 1990; Beckett 2015). Indeed, Britain's council housing stock was in such poor shape that many buyers could not afford the cost of repairs and upkeep after purchase. There is also no established purchase rate above which a program is considered successful and below which it is seen to have failed. There is likewise no agreement on how to evaluate buyouts in the context of right-to-buy programs. Some advocates see buyouts as a necessary evil, as a way to encourage private investment in an aging housing stock, while others see buyouts as contributing to gentrification because they can lead to higher than normal rent increases (see DePillis 2012, for a summary of the debate).

Given the lack of both quantitative data on TOPA and established benchmarks for measuring it, I decided to make a qualitative assessment of TOPA in my new book, *The Politics of Staying Put: Condo Conversion and Tenant Right-to-Buy in Washington DC* (Gallaher 2016). I began by developing a representative sample of seven buildings that went through the TOPA process after 2000 (roughly, the start of the housing boom in the U.S.). These buildings were selected to represent the social and economic diversity of the city as well as differences in building size. I then contacted the tenants' associations in each building to find

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<sup>12</sup> Because these tenants' associations receive city money, there is a paper trail that researchers can consult to piece together what they did with their TOPA rights (convert or stay rental) and whether they were successful (e.g. loan paid in full).

out how the TOPA process unfolded in each. With information gleaned from these interviews I was able to make four estimates for each building: the percentage of tenants who stayed put, the percentage of tenants who took buyouts, the percentage of units that were subject to price increases (the sum of bought out units plus units vacant at the time of conversion), and an estimate of the affordability of units that were subject to price increases post-TOPA. My goal was two-fold: to see how many tenants stayed put through TOPA and to track the affordability of bought out units going forward.

My findings indicate that TOPA's results are mixed. On average, tenants in 50.01% of sample units were able to stay put using TOPA. The people who stayed put were also able to stay put as both new homeowners and renters. That is, they were not forced to become owners in order to stay put. In fact, 3 of the 7 sample buildings used TOPA to stay rental and a fourth negotiated to convert only a small number of units to condominium. However, the housing costs in the units subject to price increases were uniformly unaffordable *after* TOPA. In buildings that converted to condo, the income threshold necessary to afford a condo was between 4.7 and 6.5 times the 2010 poverty threshold for a single person household (\$10,956). In buildings staying rental, the income threshold necessary to afford new rents was between 6.8 and 11.8 times greater than the same threshold.

### **Evaluating TOPA**

As I note in the previous section, evaluating TOPA with empirical data is difficult because there are no agreed upon metrics on which to base the evaluation. This leaves us with theoretical categories such as neoliberal, Keynesian, and social justice. Although these categories are descriptive inasmuch as they indicate what sorts of solutions are typical to each, they are also ideological. They point to underlying assumptions about what the relationship between the state and its citizens should be. In the context of housing, for example, neoliberals believe that the market is best equipped to meet demand for

housing. They argue that state involvement in the market produces inefficiencies and socially undesirable outcomes. By contrast, Keynesians see a role for the state in ensuring (via subsidies and/or regulation) that private capital is invested in housing for the municipal workforce. Keynesians also support public investments in housing for vulnerable citizens (e.g. the disabled, the poor, etc.). For their part, social justice advocates believe in both a “just distribution” and one that is “justly arrived at” (Harvey 1973: 9). In the context of housing social justice requires that investments are distributed across municipal space and for all income groups within it.

In the critical gentrification literature, neoliberal programs are usually regarded as inferior to programs guided by either Keynesian or social justice imperatives (DeFilippis 2004; Slater 2006). In particular, critics contend that by turning housing into a commodity – something not just bought and sold, but speculated on – neoliberal policy has contributed to rising housing costs. Although rising costs have affected housing costs at all price points, low and moderate income families have had the most difficulty adapting to higher housing costs because their wages have been stagnant, or in some cases declined, since the Great Recession. Critics also argue that the emphasis on ownership in neoliberal ideology means that renting has come to be regarded in moral terms, as inferior to owning, and those who rent as suspect and unworthy of public assistance (Blomley 2005, 2008).

In many ways TOPA is classically neoliberal. It was offered after a decidedly social justice approach to the problem of conversion-related displacement – a moratorium – was rejected in court. TOPA also works solidly within neoliberal precepts. First and foremost, it gives tenants a chance to become *owners* – arguably one of neoliberalism’s most sacred designations. The role of developers in making tenant ownership possible also means that tenants must work within and often succumb to market demands, not the least of which is ensuring that developers make a sufficient profit. The amount of profit deemed necessary can, of course, vary by developer, but it is worth noting that the growing role of

international investors in D.C.'s real estate market has put upward pressure on what is considered an acceptable profit (DePillis 2012).

Given these problems, it would be easy to reject TOPA out of hand, as yet another neoliberal solution that purports to help tenants even as it hurts them. There are, however, reasons for resisting such an interpretation. My evidence suggests that TOPA is better regarded as an assemblage of neoliberal, Keynesian, and social justice imperatives. Two elements of the statute are especially illustrative. First, though TOPA gives tenants the right to buy, the right is not given to individual tenants but to the tenant collective (i.e. the tenants' association). The focus on the collective is antithetical to the emphasis on the individual in neoliberal ideology. Indeed, the basis for both social justice organizing, and the Keynesian distribution of resources has long been the collective, whether organized by identity, occupation, or need. In the context of TOPA, the focus on the collective is especially important in mixed income buildings where low income tenants and middle and upper income tenants may have different interests. If the city allowed individual tenants, or a small group of tenants to refuse a sale, for example, it would be possible for wealthy tenants, who are often better situated to take advantage of their rights, to work with a developer to refuse a sale and then convert to condo even if a majority of fellow tenants were unable to afford their units. The first part of RHCSA – CRHCC – also lends to the collective ethos by stipulating that even if tenants buy their building through the TOPA process, they cannot convert it to condominium or cooperative without at least 50% (+1) of units agreeing to conversion.

Second, by allowing tenants to assign their rights to a third party, TOPA gives tenants bargaining power they can use to determine the outcome of their building's TOPA process. While tenants can become owners, they are not forced to use ownership to stay put. This is no mean feat given the perils that can attend home ownership for low income people. In my sample, the preference for remaining rental was much stronger than I had anticipated, with 4 of 7 buildings choosing to remain fully or largely rental. TOPA's categorical fuzziness – its assembled

nature – has theoretical and political implications. Theoretically, the TOPA statute suggests that assisting low income people does not always have to occur on pure ideological terrain. Specifically, Keynesian and social justice imperatives can work through neoliberal structures, producing outcomes that are to varying degrees antithetical to neoliberalism.

Politically, this recognition means that the neoliberal elements of TOPA cannot be grounds for refusing its potential. I will admit that this was a hard admission for me to make. When I was writing my book, I struggled to see past the problems the neoliberal elements of TOPA caused, even though I knew many tenants were able to use TOPA to stay put.

In many ways I continue to struggle with TOPA's weaknesses. As I was writing this paper, for example, a new journal article, "Fuck Neoliberalism," came across my research feed. The essay, by Simon Springer (2016), made me laugh (such a rare and wonderful thing for an academic paper) *and* feel energized (yelling "fuck off" to someone or something that richly deserves it is *really* liberating). Springer's approach also seemed potentially relevant to evaluating TOPA. The "politics of refusal" beneath Springer's holler back – the idea, as he argues, that we can fuck neoliberalism "by doing things outside its reach" – suggested that maybe the TOPA statute is a poor solution for neoliberal victims, if not part of the problem. Indeed, Springer specifically calls out scholars like David Harvey for both insisting on a role for the state and "dismiss[ing] non-hierarchical organization and horizontal politics as greasing the rails for an assured neoliberal future" (2016: 287).

Once my euphoria wore off, though, the idea of rejecting or abandoning TOPA seemed unwise. Gentrification in Washington, D.C. has been rapid. Only twenty years ago the city was experiencing its fifth decade of population loss, confronting high crime and disinvestment, and struggling to make ends meet with a declining tax base – the latter leaving little to remedy the former (Gillette 2006). The city was also watching its hard earned autonomy get stripped away by an

unsympathetic Congress. This context helps explain why city leaders did little to stop gentrification when it arrived, and in some cases tacitly supported it. The city's changing fortunes are seen as a guarantor of autonomy, as a bulwark against another round of congressional meddling. In this regard, Springer's assessment of the state is fair. D.C. has become part of the problem. By encouraging gentrification, the city has hurt its most vulnerable residents. Unfortunately, efforts to step outside of neoliberalism in the city have not produced measurable gains. In fact, the only thing that has actually stopped (some) displacement is the city's TOPA statute. None of this is to suggest, of course, that TOPA is perfect or only needs minor tweaks. TOPA cannot, for example, build affordable housing or ensure that landlords don't find unethical ways to push tenants out of their apartments (e.g. by refusing to make repairs, threatening to shut off services, or using petty rules infractions to force evictions). However, because TOPA contains elements that work at cross-purposes to neoliberalism, it can be used to help tenants in non-neoliberal ways.

My research on TOPA points to two improvements that should be made to the statute. In my book, for example, I argue that the city should rewrite the rent control statute to prohibit the use of VAs in buildings going through the TOPA process. The ability of tenants to keep their buildings rental through TOPA is one of the statute's most important mechanisms. If VAs were prohibited, rents in these buildings would be kept at below market rates. At the very least, the city's two main statutes for helping low income tenants (TOPA and rent control) should not undermine one another. Second, I argue that the city should reserve rights to a portion of bought out units in every TOPA building. This would allow the city to use these units for low income residents, without the economic burdens involved in purchasing and maintaining entire buildings. Again, contra to Springer (2016), I see an important role for the state in providing low income housing. D.C.'s low income citizens are desperate for affordable housing, and the market has proven unwilling to meet the demand. In fact, it has not even been able to preserve the

affordable units that do exist. Between 2012 and 2014, for example, nearly half of the city's private affordable housing units vanished, subject to demolition, rent hikes, and the like (Rivers 2015). Small scale efforts to step outside the market, like organized squatting by homeless people, simply cannot compete in this context. None of the 'fixes' I have outlined here will solve all of TOPA's problems, but they can help. And, in the spirit of those who want to be done with neoliberalism and the austerity it imposes on society's most vulnerable, these fixes can and should happen alongside of the horizontal, outside the neoliberal box efforts that Springer (2016) calls for in his article.

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## **The University in the City: The Campus as a Space of Dependence and Engagement in the Age of Austerity**

Kafui Attoh,<sup>1</sup> Don Mitchell,<sup>2</sup> and Lynn A. Staeheli<sup>3</sup>

“... [A] schoolmaster is a productive labourer, when, in addition to belaboring the heads of his scholars, he works like a horse to enrich the school proprietor. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, does not alter the relation.” - Karl Marx 1867

### **Introduction**

As critiques of the corporate university abound, Marx’s equation of schools with sausage factories has never seemed more apt (Bousquet 2008; Nelson 1997; Newfield 2004, 2011; Washburn 2006; Fabricant and Brier 2016). Corporate methods of managing academic labor and measuring institutional “through-put” – whether in the form of publications, patents, corporate partnerships, or student-commodities themselves – are by now commonplace. Observing these trends well before the current round of intense, global higher-education restructuring sparked by the 2008 economic crisis, the geographer Neil Smith (2000) asked his readers to think seriously about “who rules the sausage factory” – and who should. The privatization of education at every level, Smith observed, was turning many a teacher and professor into exactly the kind of “productive laborer,” Marx warned about. But this need not be the case: there was, he argued, a fight to be had and we had better fight it. Of course, many of us *have* been fighting – and often

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<sup>1</sup> Kafui Attoh is Assistant Professor of Urban Studies, Joseph S. Murphy Institute, CUNY. Email: kafui.attoh@mail.cuny.edu

<sup>2</sup> Don Mitchell is Professor of Cultural Geography, Department of Social and Economic Geography, Uppsala University. Email: dmmitc01@maxwell.syr.edu

<sup>3</sup> Lynn Staeheli is Professor of Geography and SGD Director, School of Geography and Development, University of Arizona. Email: lstaeheli@email.arizona.edu

alongside politicized students well aware of their status as branded “sausages.” And yet privatization and corporatization continue apace.

Indeed, the conditions under which academics work as “productive labor” has grown increasingly alarming, especially as university administrators claim their institutions must face up to the new realities of “austerity.”<sup>4</sup> Faculty members and their departments must, as administrators invariably put it, learn to do more with less. Simultaneously, ever-more instrumentalized forms of knowledge production assume pride of place in the imaginations of trustees and chancellors alike, as branding becomes central to university missions, and as franchising (especially in China and the Middle East) seems a logical way to “compete” in what is imagined to be a global higher education marketplace.<sup>5</sup> Given all this, for those of us who work in them, or who study in them, universities can feel an awful lot like a sausage factory – or, perhaps, even the supermarkets that sell the sausages (elite Whole Foods, plebian Walmart, and the whole range in between).

Yet for even the most cynical observers, the university is more than a sausage factory. Not only are universities places that can facilitate real learning, they are also institutions positioned, even now, to promote the public good, to expose social injustice and even promote social struggle, to train civically-minded citizens, and to produce knowledge aimed at advancing public wellbeing. The campus can provide a *space* for experimentation and activism, and *from which* the world can be engaged. For many faculty and students, it is precisely for these reasons that universities remain – despite their increasing corporatization – essential tools in constructing a more just society. If that’s the case, then

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<sup>4</sup> Which somehow never slows the construction of new gyms, stadiums, luxurious dining halls, on-campus multiplexes, and – in icy climates – heated sidewalks.

<sup>5</sup> The necessity of competition for high-fee-paying out-of-state and foreign students is a logical result of the decades-old assault by legislators on public university budgets. For private universities, as tuition skyrockets (to pay for the heated sidewalks) and as another kind of competition – for a “diverse” student body – intensifies and thus requires significant subsidies for some students, increasing foreign student numbers is likewise a necessity.

it is worth examining just what kind of a “space for engagement” the neoliberal university campus is, and perhaps can be.

## I

Some years ago, political geographer Kevin Cox (1998) sought to distinguish between what he called “spaces of dependence” and “spaces of engagement.” He argued that certain spaces – a city neighborhood, for example – were spaces of dependence in the sense that they provided a localized congeries of social relation upon which we come “to depend for the realization of essential interests” and which “define place specific conditions for our sense of well-being.” It is easy to see how, in their development as a specifically modern institution in the 19<sup>th</sup> and 20<sup>th</sup> centuries, universities became spaces of dependence, performing a set of functions (in Cox’s words) “for which there is no substitute elsewhere” (1998: 2). They developed preeminently as “nation-building” institutions, charged with developing, instilling, and reproducing a national culture (including national predominance in the sciences); many (especially public colleges and universities) were charged with developing the practical knowledge – cocooned within the liberal arts – for supporting the burgeoning agricultural and industrial economy; and they were charged with cultivating the managerial and professional classes suitable for running that economy (Reading 1996). They had an essential role to play in supporting both localized and national-scale capital accumulation, but were not usually themselves directly sites of it. The economy, as well as the polity, depended on the university, in just this sense.

At the same time, they were also spaces of dependence in that they were community centers. In small towns and cities alike, they were places for music, art, public lectures, adult learning, and, of course, sports. Not infrequently they were where community life was centered. Even at private universities, campuses were often considered community, public spaces. As large (sometimes the largest) employers, they were places upon which local economies often depended. And both directly

and indirectly they were supported by public funding precisely because they were depended on for all these functions.

As early as World War II, however, some of these aspects of the university's *raison d'être* began to erode. In the West (if not so much in newly-independent countries) "nation-building" lost some of its political urgency (especially as the pace of globalization quickened after the 1970s economic crises), undermining a key rationale for the liberal arts. The democratization of the university delivered another blow as students (and eventually faculty) questioned all manner of canonical learning and its relevance to newly diverse student bodies. Simultaneously, the sort of practical training that "land-grant" universities in the U.S. and their global equivalents (like Britain's polytechnics) had excelled at (agricultural specialists, mechanical engineers, etc.) began to seem outmoded.<sup>6</sup> Universities were facing a crisis of legitimacy.

They also faced an economic crisis. As the social-democratic compromises of the postwar era have been blown apart, mindless "austerity," has emerged to fill the void. Indeed, "austerity" is perhaps all that is left of a neoliberalism that – bereft of any remaining justification – is what Neil Smith once described as "dominant but dead" (Smith 2008: 155).<sup>7</sup> In this context, universities have realized they are a quite different kind of space of dependence. If communities are dependent on them, they are themselves decreasingly dependent on skeptical legislators, and increasingly dependent on students able to pony up large tuition payments, as well as on the good will of corporate and individual donors. The embrace of corporatization, privatization, the globalization of the higher education "market," and the instrumentalization of knowledge by administrators, politicians, bureaucrats, and not a few faculty members,

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<sup>6</sup> In the U.S. the 1862 Morrill Land Grant Act authorized the selling of federal land to finance state universities and colleges; "land-grant" universities were mandated to support agricultural development in their states.

<sup>7</sup> At the dawn of the 2008 economic crisis, Neil Smith (2008) was already arguing that neoliberalism was "dominant but dead." The ensuing years have proved him correct. Neoliberalism is now bereft of its guiding ideology; all it can now muster is a weak faith in "austerity" (in public budgets), without even by now even trying to justify that faith.

is thus symptomatic of the university's lost legitimacy, its unclear role in restructured capitalist economies, and the rapid shift from state-funding to tuition- and donation-based budgets. In this landscape, becoming a site for capital accumulation (not just a site for the support of it) has – in the eyes of many – not only lent the university a new legitimacy but has opened up potential new revenue streams.<sup>8</sup>

The much-hyped MOOCs (Massive Open Online Courses) and new, perhaps innovative partnerships, like that between Starbucks and Arizona State University, are evidence of the shifting sands of dependence that mark the university and its place in wider society (Adams 2014).<sup>9</sup> So too is the increasing competition for research dollars that faces every research-oriented campus, the rise of a star-system for faculty (and its adjunct, the sinking of adjuncts into penury), the pandering for corporate contracts and willingness to undertake proprietary research, and the ever-expanding, ever-more global search for fee-paying students. In many instances, increasing competition among and within universities has been precisely the goal for policymakers and trustees, perhaps most clearly exemplified in the UK by the introduction of the Research Assessment Exercise (now the Research Excellence Framework 2014) and the transfer of higher education oversight and funding to the Department of Business Innovation and Skills.

Such shifts in the conditions of dependence are quite evident on university campuses themselves. As universities devote more money and

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<sup>8</sup> Many universities are, for example, creating their own in-house venture funds to “incentivize” directly commercially-applicable research that they can benefit from. They are also encouraging, and being encouraged, to allow corporations to locate on campus for significant tax breaks as long as they hire a few interns and plow a bit of their profit back into the universities’ budgets. For one example see: Don Mitchell (2011) “The Entrepreneurial University and Its Discontents: Or, Why the University is No Longer a Public Space (If It Ever Was)”

<sup>9</sup> If MOOCs are the “disrupters” their cheerleaders claim they are, then one thing they will disrupt will be the *cultural* function of the university *as a campus* – as a place for the gathering of students and communities alike.

space to securing or shoring up “market share,” new fitness centers, climbing walls, library coffee-shops, resort-like swimming lagoons, stadiums and training complexes, and palatial dorms sprout like mushrooms (often funded through complex borrowing and bond schemes) (Freedman 2014). Universities now sponsor (with planning as well as money) the wholesale redevelopment of surrounding commercial districts to assure pleasing and presumably safer edges to their campuses, and just as frequently create their own police forces to patrol them. The transformation of the university in the post-national, neoliberal era has meant the transformation of the campus itself. As a space of dependence, in other words, the university is now a quite different place than it used to be even as tree-lined malls and grassy quads are preserved as key selling points.

## II

But what about the university, and especially the campus, as a “space of engagement”? As Kevin Cox wrote, “People, firms, state agencies, etc. organize in order to secure the conditions for the continued existence of their spaces of dependence but in doing so they have to engage with other centers of social power: local government, the national press, perhaps the international press, for example. In doing so they construct a different form of space ... a space of engagement” (Cox 1998: 2). Attempts to reconstruct the university’s legitimacy as well as to rebuild a secure financial foundation have entailed remaking campuses into new kinds of spaces of engagement, as much of the above discussion has indicated.<sup>10</sup> Yet it is worth thinking about this literally – about just what kind of “space of engagement,” the university campus is.

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<sup>10</sup> The line between dependence and engagement is blurry. One could interpret a university concert series, for example, as either or both. It helps make the university a space of dependence (in the first sense above) by creating an essential campus-based good perhaps not available elsewhere in town. But it is also a means to draw onto campus external publics, to position a university as a cultural good within a larger state bringing to it either prestige or legislative goodwill, and to engage in a larger world of the arts, breaking down a parochialism that might undermine relations of dependence.

Campuses have long been places within which students, faculty, and others organize and engage with external worlds near and far. Agricultural extension services, university-sponsored settlement houses and urban missions, and laboratory schools represent examples from earlier eras. The development of schools of citizenship and public policy, like schools of education, was rooted in a pragmatic politics of outreach, of social reformation from *within* the campus. And campuses provide space (and gather together people) for political organization. After all, as a Denver student activist put it in an interview with us in 2010, “You have thousands of people all in one place with not a lot to do, and that tends to lend itself well to activism.” This is not an inconsiderable purpose for the university – a central way in which it is a space of engagement – and it is perhaps something that sets itself apart, at least a bit, from other “sausage factories.”

To give a paradigmatic example: The Berkeley Free Speech Movement of 1964 was, among many other things, a fight over how students should or could engage with political movements and social upheavals in the Bay Area and beyond. As University of California President Clark Kerr emblematically put: “A few of the ‘non-conformists’ have another kind of revolt [than one against the university] in mind. They seek instead to turn the university, on the Latin American or Japanese models, into fortresses from which they can sally forth with impunity to make their attacks on society” (Draper 1966: 266). For student activists, the campus was a place for organizing from which they could then strike out into the world.

If, however, the waning of sixties activism and the neoliberalization of the university led to a generation (or two) of political quiescence, the question of controlling student (and faculty) politics on campus never disappeared. Indeed, it burst into a new visibility in the wake of the economic crisis, the official austerity response, and the (worldwide) student organizing these spawned. The crisis and response certainly seemed to crystalize the question of controlling student and

faculty protest, and thus the nature of the campus as a space of engagement in many administrators' minds.

For example, in October 2010, we found ourselves in the Oakland office of a lawyer representing faculty unions in a number of California community college districts. To spark the conversation, the lawyer showed us a large stack of documents that he explained were resolutions pushed by the Community College League of California and being passed by districts up and down the state which redefined college campuses as “non-public forums.” In legal-speak, this means that these campuses were being turned into a kind of property on which, though it was publicly-owned, there was no *a priori* right to protest. One of the resolutions, he noted, while pulling a file from atop the stack, was for the Peralta Community College District covering Berkeley and Oakland.<sup>11</sup> The proximate cause of the District Board's consideration of the resolution was the appearance at Laney College of a militant anti-abortion group whose march through campus upset a number of faculty and students.

The district now planned to create “free speech zones” outside which leafletting, speechmaking, and protesting would be banned. This was, the lawyer argued, “inconsistent” with the goals of higher education, since, he noted, colleges and universities had “long been recognized as ... marketplaces of ideas.” For him, the “educational environment [was] supposed to be a place where people talk, and think, and confront ideas,” and not a place where such ideas were confined to some remote “speaker's corner.” The resolution facing the Peralta district was especially extreme in that it included a provision permanently banning individuals from political activity on district campuses after violating the free speech policies just once. As a veteran of the Free Speech Movement, the lawyer was genuinely perplexed by this statewide effort to restrict the speech and political activities of students on community college campuses, given their important role in educating working class and

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<sup>11</sup> The Peralta District is perhaps most famous for being home to Merritt College where the Black Panthers was founded.

immigrant students. And he was perplexed as to why this push was happening *then*, and offered two theories as to what was at stake. One theory saw the push for free speech zones as a response to *predicted* student unrest over austerity. He argued that administrators “were sold on doing this because they feared students would be protesting ... the coming budget cuts and increases in tuition that were recognized a couple of years ago.” His second theory saw the push for free speech zones as related to the corporatization of higher education.

“It is very interesting that that [the speech zone controversy] has erupted at this time. One might say it’s because of all the conflict in society, that there are people in administration who prefer a more orderly campus, a more businesslike campus. Of course, colleges are not businesses. A lot of people don’t want to hear that, but they’re not. They’re educational institutions, and you can’t decide if they’re profitable just by the amount of dollars that they earn in a particular year. These policies that we have here are really very important. Even if they’re unconstitutional, they’re sending a message to people” (Interview with authors, October 11, 2010).

The people the message was being sent to, he implied, were not only on the Peralta campuses, but also on the nearby UC Berkeley campus. Or perhaps, the message to the Peralta District was *received* from Berkeley. In 2009, Berkeley students staged a series of mass protests and building occupations to protest soaring tuition costs and to demand greater state funding. These protests were linked to earlier (2007) and subsequent (2010) protests contesting UC Berkeley’s decision to team up with British Petroleum to construct a new building for mostly proprietary research.

For the Oakland attorney, the sudden wave of campus resolutions restricting free speech was hardly a coincidence. Free speech zones and other efforts to limit campus activism were appearing at exactly the moment when student dissent was most needed and precisely when the corporate assault on universities seemed primed to speed up.

Of course, for even some of the most apolitical observers, free speech zones are dangerous because they undermine the idea of college campuses as a “marketplace of ideas” – a space of engagement in that sense. For progressive observers like the lawyer, however, they were dangerous because they threatened a more radical potential of universities, which persists even despite their rapid restructuring as a space of dependence – a potential for a form of *radical* community engagement.

### III

To see what this might mean, we travelled to Scotland, where in 2011 student activists had taken over the Hetherington building on the Glasgow University campus. The “Free Hetherington” movement was one of many “anti-cuts” actions that swept Britain beginning in 2010 (of which university occupations were just one part). Over the course of the Hetherington occupation, the building became central to community-based political organizing as well as the site of an alternative university that boasted free lectures, workshops and classes. Although the space remained relatively free of the sort of sectarian power struggles that marked other occupations around the UK, it was not an entirely comfortable space (for some – especially female activists – it could be quite intimidating). And yet few could deny that the Free Hetherington movement had created a space on the Glasgow University campus – a classic “university on a hill” – that was uniquely open to the wider community. From within occupied Hetherington, students worked hard to link up with – and invite in – other local struggles, like ongoing actions against police brutality in working class and immigrant neighborhoods and campaigns against displacement from redevelopment associated with the upcoming 2014 Commonwealth Games.

Free Hetherington was a space of engagement: by creating a space on campus in which students, faculty, and community members could meet and collaborate, and learn from one another, Free Hetherington offered a notable example of what might be understood as

radical community engagement. By turning Hetherington into an incubator for local political organizing, this was a form of engagement that, in fact, questioned the traditional boundaries of the university itself, which is not necessarily a new project (there is a long history of free universities, of course), but one that takes on added salience as the whole question of the university – its status as a space of dependence – has been reopened by the legitimacy and economic crises that now beset it.

“Community engagement” usually has far less radical connotations.<sup>12</sup> In fact, it is often a way of corralling political passions and making them “productive.” More typical than Free Hetherington-type engagement on campuses are the community engagement initiatives at places like Glasgow Caledonian University (GCU) and Salford University in Manchester, both former polytechnics. GCU sponsors an impressive array of community engagement initiatives ranging from public forums and community volunteer days to initiatives like the Caledonian Club (a mentorship program that connects students with primary school children in underserved communities) and working with Mohammad Yunis to develop microloan programs for nearby housing estates. Such initiatives are designed to open the campus to outside publics as well as push students off campus to engage the world beyond its borders. For GCU administrators, such efforts have an economic logic: “In order to survive,” an official told us, GCU had to differentiate itself from its competitors. Community engagement was a marketing device that allowed GCU to stand out in the competitive market for higher education.

At Salford, community engagement was increasingly incorporated into the university’s “brand,” administrators told us. Administrators positioned community engagement as a vital resource the university could offer students to build their resumes as they confront a highly competitive job market. According to the community engagement officer, enrolling at Salford would allow students to burnish their CVs with marketable skills, learned through community engagement

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<sup>12</sup> For a typical discussion see Kingma 2011

incentivized by course credit. That this sort of engagement was highly instrumentalized was not lost on students. As a student at nearby University of Manchester commented in relation to its University Leadership Program: “They find a project, they drive you to the project, and there are people who tell you what to do on a project, and you do what they tell you. And then they put you on a bus and take you back home.”

Sometimes these efforts are nakedly self-interested. As the community engagement officer at Salford told us, the university had to sponsor programs in surrounding communities because those communities were beset by “wicked problems” and if these problems were not addressed then the campus would be perceived as unsafe and Salford would have more trouble attracting fee-paying international students. The contradictions that arise, and the university’s confusion over how to manage them, are readily apparent on campus. At Salford we were repeatedly told about how the university was building bridges to surrounding (mostly working class) neighborhoods. Administrators positioned the campus itself as a community asset. Yet every entrance is marked by big, permanent signs declaring, in all caps, the campus of Salford University – a public university – to be private property. And waving from standards along many of the walks were banners announcing not Salford’s “excellence” or celebrating its diverse student body, but reminding students to “Keep all valuables out of sight,” and that “1 in 10 students will become a victim of crime.”

## **Conclusion**

Whatever the contradictions, community engagement programs like those at GCU and Salford which seek to integrate campuses and surrounding neighborhoods in new ways (as part of an exercise in brand differentiation) both affirm the sausage factory-like reality of contemporary higher education (a particular brand of university churning out a particular brand of student) and the fact that universities are and always must be more than mere factories: they remain, as they

were in the nation-building era, institutions of citizen-formation, even under conditions of neoliberalization and financial austerity. Community engagement GCU and Salford-style seeks to create citizens geared for a neoliberal world, turning students (and for that matter faculty) into “academic entrepreneurs,” as one prominent analysis of community engagement approvingly calls them (Kingma 2011).

To the degree that community engagement initiatives hew to what is essentially a corporate ethos, there is a very real danger they will serve the same function as free speech zones – namely to redirect political involvement away from potentially radical engagement into safer, officially sanctioned channels. Against this, occupations like Free Hetherington are hardly surprising; they mark an active resistance to engagement shaped from above and emptied of oppositional force. They mark out one end of what remaking the campus as a space of engagement might look like at its best, and it is a prospect, obviously, that many trustees, administrators, and corporate sponsors do not find attractive. At the other end of the spectrum, officially-sanctioned community engagement might end up helping prove Clark Kerr right. Writing before the Free Speech Movement, he argued that the new university – the “multiversity” – was charged with producing “new men,” who would be the managers of a world that was significantly post-political, where revolts would only ever be “little bureaucratic revolts that can be handled piecemeal” (Kerr et al. 1960, 295; Draper 1964; Kerr 2001[1963]). Changed conditions of dependence and experiments with new forms of engagement would remake the campus as a space of containment, a space (potentially) as carefully controlled as the shop floor of a sausage factory.

For Neil Smith, implicit in his question, “Who rules the sausage factory?” was the belief that universities – as institutions and as city-spaces – were worth fighting for. As the neoliberalization of the university continues apace, the prospects seem stark. At the bleeding edge of that neoliberalism, we find not only an ever-expanding army of austerity’s adjuncts, but an increasingly indebted student body worried

about its future (for which instrumental versions of community engagement thus make eminent sense). Simultaneously, the instrumentalization of research is entrenched through audits like the REF and legislative demands that research pay immediate dividends, and through funding secured by (now university-sponsored) venture capital. To put it in Marxist terms, university labor is becoming more like typically capitalist abstract labor, valuable only to the degree it produces readily measured surplus value. Such trends make the fight for the university – the fight to rule the sausage factory – all the more important.

There are, in fact, some reasons to be optimistic that the fight is hardly over despite all the depressing news. It is increasingly clear, for example, that those currently charged with administering the university – trustees, presidents, higher education consultants – have little idea how to manage the contradictions and competing pressures corporatization, neoliberalism, and austerity have wrought. How else does one square the desperate rush towards online classes and the use of adjuncts with the simultaneous emphasis on “student experience”? Similarly, how does one reconcile the persistent emphasis on critical thinking – however diffuse a concept – with the turn towards “learning outcomes” and other instrumental modes of knowledge transfer? In this context, the university is up for grabs. The kind of space of engagement it is going to be is hardly settled; the sort of space of dependence it is, is in flux.

Another way of phrasing Marx’s pithy comment equating schoolhouses with sausage factories is to ask: just what kind of use value is the university? Is it something like a public forum (as the Oakland lawyer suggests), something like a space for community struggle and development (as with Free Hetherington), or a training ground (as with instrumentalized versions of community engagement)? Is it a place for critical inquiry, or only for research directly relevant to “stakeholders” like corporations, donors, foundations, or militaries? Or more accurately, what ought the balance between these be? Within the city, what kind of space of dependence and what sort of space for engagement can the university be imagined to be? These are far from settled questions.

Of course the struggle for the university will necessarily involve much more than reclaiming the campus for politics or reimagining community engagement. Of course, neither the campus nor community engagement initiatives are neutral or disconnected from the broader forces of neoliberalization, corporatization and austerity, shaping the contemporary capitalist city. In this regard, it is worth remembering, and worth fighting to preserve, the fact that universities are *not* – or not only – sausage factories. They are, necessarily, spaces deeply dependent on their surroundings, which in turn depend on them, and they are, crucially, spaces of intense engagement, the contours of which are never fully decided, but always a scene of ongoing debate and struggle.

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# ALTERNATE ROUTES: A JOURNAL OF CRITICAL SOCIAL RESEARCH

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The global financial crisis launched a prolonged period of austerity that continues to play out in the urban arena. Much needed investments in public transit, affordable housing, aging infrastructure, and social services elude municipalities constrained by low taxation regimes and interurban competition. Reductions to employee compensation have also been a stated aim of municipal austerity. The ‘social economy’, the so-called ‘third’ or voluntary sector of the economy located between the public and private spheres, is also being more closely aligned with neoliberal practices. In this regard, the state has at times imposed austerity from above or led the charge from below, and at other times created the conditions for capital to lead in an assault against urban social life. While there are no absolute paths to a more just world, there is enough evidence and understanding of the current conjuncture to demonstrate that alternatives are indeed necessary.

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“As we approach the age of Trump, North American cities are the battlegrounds upon which the struggles for a radical democratic future will be played out, and Alternate Routes has a decisive role to play in this process. The contributions to this issue on austerity urbanism and the social economy provide much food for thought on how the left can provide clear and desirable alternatives (surely, our most immediate task) that speak to urban social justice.”

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