

Challenges for Urban Social Justice Movements: Neoliberal Urbanism, the Canadian City and Toronto



CENTRE FOR
SOCIAL JUSTICE

Challenges for Urban Social Justice Movements: Neoliberal Urbanism, the Canadian City and Toronto

Greg Albo

Report Prepared for the Centre for Social Justice
Toronto, Ontario – December 2009

Neoliberal globalization has played itself out in the politics of Canadian cities over and over again through the last two decades. The internationalization of financial markets, the geographical restructuring of manufacturing, and the consumer debt fuelling retail markets have formed the economic and physical landscapes of neoliberal urbanism. Policy initiatives for water, electricity and healthcare privatization, and cuts to social housing and welfare rates, have also been political battles over the quality of life of cities. The crisis of Canadian cities that has resulted has led to persistent calls of mayors from St. John's to Victoria for a 'new deal', but have been met by mostly silence from senior levels of government.

Cities and Capital Accumulation

Capitalist development and urbanization have always gone together – 'the antagonism between town and country', as Marx once put it. But this relationship has always been laden with contradictions and dilemmas. The intensification of production that is characteristic of capitalist growth processes pushes the rural population into the cities. In the cities, the huge stock of fixed capital of modern factories and supporting urban infrastructure of transportation, power, communications, housing takes on ever greater complexity. The concentrated populations and sprawling built environments of today's capitalist cities seem almost unfathomable. It should not at all be surprising that globalization of capitalism has gone along with massive urbanization, drawing a majority of the world's population into the enormity that is Mexico City, Moscow, Sao Paulo, Hong Kong, New York, and countless others.

As one of the most open economies in the world, it should come as no surprise that globalization has acutely impacted Canadian cities. Capitalist development pits urbanization and growth of the world market in a direct and contradictory relationship. This can be seen in the theory of capital accumulation. The commodity as a use-value is always particular, worked up from specific resources by the concrete labours of workers embedded in particular communities and social relations. But the commodity as an exchange-value is universal and capitalists seek out the entire world market for its sale. Marx directly links local production and world trade: 'The production of commodities and their circulation in its developed form, namely trade, form the historic presuppositions under which capital arises.' The particular and the universal, the local and the global, are different dimensions of a capitalist world market.

The dynamics of capital accumulation directly shape the built and natural environments of the city. The accumulation of capital leads to an intensification and concentration of the forces of production. The mass of fixed capital put in motion by any individual worker increases in its organic mass, technical complexity and value. Simple craft and factory production aided by steam power dominated the 19th century. Today we have robotized, nuclear and fossil-fuel powered, 24 hour-a-day, just-in-time factories consuming acre upon acre of industrial parks. The growth in the army of business professionals defending business interests at every turn has been even more explosive. The former low-rise offices for lawyers, accountants and bankers have become the massive complexes of office towers for the business bureaucracies that dominate the skyline of the capitalist city.

The growing organizational complexity of capital depends, in turn, upon a parallel process of ‘statification.’ As the fixed capital required for factories and offices becomes increasingly intricate, and the technical labour required to staff these facilities also grows, government support for infrastructure, research and development, technical training, financing and regulatory intervention becomes necessary. Government revenues and resources become progressively more mobilized in the interest of accumulating capital for the owners and senior bureaucrats of corporations. This is the idea that the accumulation of capital is the production of space as a built environment. Capitalism is always urbanization. David Harvey has argued that ‘it is through urbanization that the surpluses are mobilized, produced, absorbed, and appropriated and that it is through urban decay and social degradation that the surpluses are devalued and destroyed.’

The politics of urban development occupies a central spot on the political agenda the world over. Cities have come to reflect key contradictions of neoliberalism and capitalist development. The UN-Habitat, *State of the World's Cities 2006-07*, reveals social processes of world historical proportions. Half of the world's population of 6.5 billion now lives in cities, and is predicted to grow to 5 billion out of global population of 8.1 billion by 2030. There will soon be 500 cities of over 1 million people. An astonishing one in three live in urban slums, as migration from rural areas actually begins to lead to a population decline of people living outside cities. Tokyo is now an urban conglomeration of some 35 million, and it is joined by meta-cities of over 10 million on every continent. The largest urban growth is in Africa and Asia, but North America is – and will remain – the most urbanized continent in the world. Canada is, moreover, urbanized to a greater extent than the U.S., with the Greater Toronto Area being Canada's meta-city, with a population variously tallied at between 5 and 8 million. The surrounding urban environment spreads hundreds of kilometres from Oshawa to Fort Erie, possibly the largest urban expanse in terms of geographical expanse in the world.

If it is difficult to draw out the implications of the raw numbers on urbanism for urban social justice movements, the social dimensions of urbanization are also demanding. For example, some 4 million worldwide are dying annually from urban air pollution. The ecological implications of waste treatment, garbage, water usage and energy needs are under strain and causing major problems everywhere. The failings of urban transportation and development planning are causing a plague of traffic gridlock for all cities. Commuting times for increasing numbers of workers is extending the length of the work-day back to the worst days of industrial capitalism. Key centres of economic power are also emerging, such as Mumbai, Sao Paolo and Shanghai in finance and Bangalore and Seoul in information technologies. These reflect new dynamics of global capitalism. Canadian cities are implicated in these same social pressures and economic imperatives.

Neoliberal Urbanism in Canada

Neoliberal urbanism has posed its own set of problems for cities. Social housing has been scrapped for market pricing, producing asset bubbles and over-housing for some and ruinous rents and no housing at all for others. Public transportation has been run, literally, into the ground. Public space has been sold to the highest bidder, turning public galleries and buildings into yet one more venue for advertising and commercial exposure. Sewers, water systems, utility grids have all seen more than their fair share of privatization and faltering quality and service, re-exposing all that had been learned about market failures and monopoly provision a century ago before every stupidity of Hayek became politically fashionable. This is the desperate context in which then Prime Minister Paul Martin floated his ‘new deal for cities’ over 2003-04, and was joined in the call by the mayors from across Canada. But besides some sharing of gas tax revenue, re-cycled commitments on social housing and public infrastructure, it is not at all clear what the new deal amounted to. In any case, the whole project was scrapped once Stephen Harper's Conservative Government attained power in 2006. While there are some important differences between the Conservatives, Liberals and NDP on urban issues that

needs to be recognized, especially in terms of ‘vertical financing’ between levels of government for urban issues, it is also clear that they share the thinking that internationally competitive businesses depend upon competitive cities.

Neoliberal urbanism in Canada can, in some respects, be dated back to the 1970s when the federal government abandoned playing any direct role in urban development. Housing policy was reoriented to increased support for private sector mortgage markets and developers. The provinces also began to push for merger of cities and rationalization of municipal services at this time, hoping to bolster the attractiveness of cities for business investment. Through the 1980s industrial restructuring drastically increased the population dependent on welfare. Manufacturing deindustrialization both downsized workplaces and shifted many industrial plants to lower-tax, lower-unionized ‘greenfield’ sites and ex-urban regions. At the same time, financialization led to a huge expansion of the speculative activities and bureaucracies associated with the banking and insurance sectors. With the North American free trade agreements and the increasing inter-penetration of Canadian and U.S. capital, these economic developments intensified. Neoliberalism consolidated as the unquestioned policy framework through the 1990s.

The downloading of service provision and responsibilities from federal and provincial governments needs to be singled out. It has been an important policy and administrative tactic for advancing neoliberal objectives. Downloading has served as an administrative mechanism to move from universal non-market provision of social services, with democratic pressure to advance to higher standards, toward market provided services that are both priced and delivered at lower standards for the average user. The objectives of service downloading has been: the lowering of taxes; the withdrawal of government from providing services as much as possible; the lowering of public sector employment and wages; the addition of pressure on private sector wages by norming public sector wages to lag private sector settlements; and the creation of new profit opportunities for business.

Under Prime Minister Brian Mulroney, the federal government began to limit fiscal transfers to the provinces in terms of equalization payments but also the funding of key social programmes. The downloading process accelerated under the Liberals in the mid-1990s with the new Canada Health and Social Transfer (CHST). The CHST radically cut the level of transfers, and in particular withdrew the federal government from directly funding of many social programmes and influencing provincial government expenditures in these policy areas. In turn, provincial governments, freed from federal fiscal constraints and facing increased costs and less revenues, offloaded more programmes and funding responsibilities onto the municipalities. This included their support to cities and provincial municipal affairs departments.

Fiscal support to cities thus failed to match the new demands on city budgets. Cities in Canada are largely dependent upon the property tax system, and have little access to other sources of revenue and none to the major sources of revenue in the income and corporate tax systems. The property tax system, under pressures from business and the logic of neoliberalism, has also seen a decline on business levies on commercial property and an increase on residential property taxes. By adding to the regressiveness of the overall tax system, neoliberals in Canada have sought to fuel a property tax revolt at the municipal level.

The result of downloading and the policy driven tax constraints is that municipal governments have faced intense funding problems. In particular, they have lacked the funds for welfare, transportation, schools and emergency services. In other words, neoliberal policies strapped cities for cash in the main areas of local spending in Canada. The result is that cities have been hit with mounting problems everywhere you look: lagging infrastructure maintenance; public transit deterioration; crowded schools with facilities shutdown at the

same time; community services trimmed; and social polarisation due to cuts to welfare, disability services and social housing. At the same time, police budgets have increased in terms of personnel, new weapons and hardware, and surveillance. This has pushed cities into a fiscal crisis, re-creating aspects of the fiscal disaster of the 1930s in Canada, when services were last downloaded so thoroughly to municipalities.

The fiscal bind and deteriorating urban infrastructure led Prime Minister Paul Martin to propose a ‘new deal for cities.’ This was hardly bold stuff: it included some minor sharing of gas tax revenue to support public transport, and recycling commitments to social housing and public infrastructure. The defeat of the Martin government by the Harper Conservatives in 2006 let even these modest proposals fall to the side. The Conservatives under Prime Minister Stephen Harper have said nothing about urban issues, seeing this in strict constitutionalist terms as a matter of provincial jurisdiction. Their voter base has, moreover, partly been built on an anti-urban agenda. The Conservatives are the central political force maintaining the anti-democratic rural biases of the electoral system at the federal and provincial levels where they have greatest voting strength. Indeed, the main urban initiative of the Conservatives is law and order, particularly expanding the security state as they seek to align Canadian policy with U.S. views on ‘homeland security.’ But they also show a willingness to supply fiscal support for the spectacle architecture projects and international events such as world fairs and Olympics that have the backing of economic elites, notably in Vancouver and Toronto.

Downloading or the ‘Devolution Revolution’

The downloading of service provision and responsibilities has been such an integral aspect of neoliberalism – the attempt to move from universal provision of social services and public services at increasingly higher standards to market provision of services at lower standards and with user fees and means tests attached to them – and the fiscal problems of Canadian cities that it should be given additional development. The objectives of this process have been: the lowering of taxes; the withdrawal of government from the market as much as possible; the lowering of public sector employment and wages; the addition of pressure on private sector wages; and the creation of new profit opportunities for business. This is the administrative dynamic with its theoretical and political logic located in classical neoliberal beliefs in small governments, free markets and market dependence of individuals. For the most part, it has become incorporated into urban politics as one of the parameters which cities much accept. It is certainly accepted by business organizations, particularly municipal entities like the Toronto Board of Trade. But also municipal politicians have largely given up this issue – notably Mayor Miller – as they came to accept neoliberal constraints and run their own administrations within the policy and administrative norms of neoliberal urbanism.

Although one could look at key shifts in fiscal federalism in the 1970s as starting the offloading of responsibilities without transferring necessary fiscal funds, this process began in earnest in Canada under Mulroney in the mid-1980s with the Federal Government accelerating its cutting of transfer payments to the provinces in terms of equalization payments but also funding key social programmes. It then took a qualitative shift under the Liberals in the mid-90s with the Canada Health and Social Transfer (CHST), which continued the cuts and in particular further withdrew the Federal Government from funding social programmes and influencing provincial government expenditures in these areas. It was the Liberal Party of Canada which undertook the radical consolidation of neoliberalism in Canada, with respect to NAFTA, social programmes, industrial policies and, eventually, in foreign policies after 9/11. In turn, the provincial governments have offloaded more programmes and funding responsibilities on to the municipalities while fiscal support significantly lagged.

This has been labelled ‘social cuts by stealth’, but it was actually quite obvious in administrative and fiscal terms. The stealth was simply its wholly undemocratic implementation without a mandate, and the fact that

prevailing social opinion, and the democratic consensus of the majority, supporting increased social programmes, including urban spending, and an increased coordinative role of the national state (within decentralized administration and implementation). The result of the downloading spiral is that municipal governments in Canada have faced intense funding problems in general, and in particular addressing expenditures for welfare, transportation, schools and emergency services, in other words, in the main areas of local govt. spending.

The inevitable result of this process is that Canadian cities have really been hit with mounting problems everywhere you look that have grown non-stop since the 1980s: problems of infrastructure maintenance; public transit deterioration; crowded schools; and the social polarisations that come with welfare and low income housing cuts. Chronic underfunding is running against clear social needs. This is on top of demographic pressures from rural to urban migration and immigration into Canada which leaves municipal fiscal capacity on a per capita basis (the only adequate way to assess public sector spending efforts) in a spiral of decline. As a result of long-term fiscal underfunding from other levels of government, tax shifting and cutting at the local level and the structural pressures and dynamics of capitalism, Canadian urban policies are at a critical impasse. The current financial crisis, and the calls by various economic authorities for a decade of public austerity, has, therefore, pushed cities to the financial breaking point. In Canada, there is a real sense of re-creating the disasters of the 1930s when services were last located so thoroughly at the municipal level in delivery and fiscal funding.

Some of the features of what happened with municipal downloading in Ontario to Toronto during the 1990s, under the 'Common Sense Revolution' of the Conservative Premiership of Mike Harris, bear reminding.

- Municipalities had to assume responsibility for public transit, local airports, libraries, policing, water and sewage, and a greater portion of culture and parks policies.
- Welfare rates were frozen for over a decade in Ontario, after Harris cut them by over 20% in 1995; and McGuinty has increased the rates only slightly. The result is that social assistance rates are still about 30% below what they were in the 1990s in real terms. Shelter allowances were also cut, while rents increased across the province. Both measures have impacted a huge range of services that cities must provide.
- Ontario has more than 2 million children under 12 and 90% of these do not have access to regulated child care. The Ontario government has cut millions from child care. It has downloaded wage costs, resource centres and special needs programmes on local governments. (It is not clear yet how far the new childcare policy announced this fall by McGuinty will reverse some of these factors.)
- Ontario's tax cuts that were introduced by Harris, continued and expanded by McGuinty, have massively benefited the rich. In the main tax cuts introduced by Harris, the top 5% received a benefit of about \$8000, while the lowest 50% of income earners received less than \$500. Moreover, the expansion of user fees, including at the local level, effectively offset the tax cut for the bottom 50%.
- Between 1995 and 2002, municipal revenue from user fees and other charges increased by about \$1.5 billion or 42% as a result of attempting to offset downloading costs.
- Downloading has not just meant fees for services, it has also meant less service or elimination altogether.
- Downloading added a huge burden on to the municipal property tax system. This added to the inequities of the tax system as these taxes are not fully sensitive to income or to ability to pay; nor do they carry the symmetry of sales taxes which fall on private goods which then are substituted with public goods which tend to also be redistributive. They are a terrible way to meet social needs.

Neoliberalism in Toronto

As Canada's largest city, the planning and social disaster of neoliberal urbanism has struck Toronto particularly hard. The cuts of the federal Liberal government were matched by the hard right policies of the Conservatives of Mike Harris at the provincial level. Under Harris, municipalities had to assume greater responsibility for public transit, local airports, libraries, policing, water and sewage, social housing and culture and parks policies. The Tories also pushed through a deregulation of rent controls and urban planning controls over development. While cutting tax rates for the highest earners, Harris also cut welfare rates by 20 percent in 1995 and then froze them for the rest of his term. While Premier Dalton McGuinty has lifted the freeze, welfare assistance has barely improved. The cuts to social assistance and shelter allowances have directly impacted on cities and their responsibilities for administering many of these programmes. The Ontario government cuts to child care had a similar impact in downloading wage costs, resource centres and special needs programmes onto local governments. Both levels of government have extensively downloaded immigration and settlement costs to cities, a particularly heavy burden for Toronto where the largest portion of immigrants settle. Finally, McGuinty has off-loaded provincial responsibilities of some \$380-million to restore municipal employee pensions and \$870 million for upgrading water supplies on to the municipalities.

An urban fiscal crisis from policy downloading has been a central characteristic of neoliberalism. But it would be wrong to see neoliberal urbanism as being imposed on Toronto from other levels of government. Local ruling classes and many municipal politicians, particularly in the political coalition that came together to support both the megacity merger and Mayor Mel Lastman, have favoured neoliberal restructuring. They consistently supported contracting out of public sector work, privatization of city corporations, more market friendly development and rental markets, and a reorientation of city policies toward boosting inter-urban competitive capacities, particularly for financial and real estate interests. This new ruling bloc in Toronto politics successfully broke the old reform coalition that had dominated city government since the 1960s. Indeed, what remains of the old reform group on city council – mainly representing wards in the inner city core – has accommodated itself to the neoliberal city.

Toronto developments have been characteristic of 'world class cities'. The concentration of wealth on Bay Street and a few residential enclaves has been stunning. It is matched by the spiral of decline that continues everywhere else. From the first 'mega-city' Mayor, Mel Lastman, to the current Mayor David Miller, the list of the failures of the City of Toronto is the same and just as endless: homelessness and the lack of social housing; the never-ending delays to waterfront revitalization and closing of the Island Airport; one architectural horror followed by another from the deregulation of urban planning guidelines; the lack of a mass transit plan and continual cuts to services; the continued shelving of plans to revitalize Union Station (only now receiving a measure of infrastructure funds – but not enough to do the job properly); the deterioration of city schools and recreational facilities; the fiasco of shipping Toronto garbage to Michigan; the lack of a social policy to address the racialization of poverty; the ever increasing budgets for a police force that is ever less democratically accountable; and many others.

Several central issues over the two terms of the Miller council illustrate the grip of neoliberal urbanism in Toronto. First, although Miller and NDP councillors have been able to deflect some of the rants of neoliberal fundamentalists on Council and in the bourgeois media, the policing pole of addressing social problems is still clearly dominating social policy expenditures. This can be seen in the criminalization of the homeless around City Hall under Miller's watch, and the empty exercise of counting the homeless in order to downplay the levels and needs. Similarly, in dealing with gun violence, it is police budgets that are growing while recreational services in Jane and Finch, Malvern, and others continue to stagnate. The latest absurdity here being the plans

to build ‘world class’ swimming facility for elite athletes with the successful Pan-Am Games bid, while continuing to close down public access to swimming pools in the cities most ‘at-risk’ – meaning socially deprived and racialized – communities.

Second, municipal economic policy remains focused on the ‘competitive city’ model. Public sector cuts were always on the city agenda over the Miller years to maintain promises to keep taxes low, and now there is additional urgency in light of how the financial crisis has damaged fiscal revenues. Moreover, Miller supported the steady shift from commercial to residential taxes over the next 10-15 years in order to keep competitive with the 905 district and rival international cities. The waiving of zoning and density requirements in city plans to support real estate developers and bolster urban revitalization, particularly for the housing needs of professionals in the inner city, has become standard fare. Since releasing its first major report in 2003, the Toronto City Summit Alliance has acted as key advisory body to the city on various ‘progressive’ measures to promote Toronto’s international competitiveness. The most publicized has been the idea of Toronto as a ‘creative city’, promoting its social and ethnic diversity and concentration of media and arts, as a means to aid the tourist, high-tech and financial sectors. This is now the most commonly trumpeted form of the thoroughly discredited notion of ‘progressive competitiveness’ as an alternative to neoliberalism, and also its intellectually most ludicrous.

Third, the reorganization of governance of Toronto has strengthened executive power at the expense of developing local democracy and popular planning. Miller’s initial effort to widen public input into city budgetary policy surely counts as one of the briefest and most minimal attempts at local democracy on record. At the prodding of political elites and the Toronto ruling bloc, he has supported steps in the opposite direction. Even with some amendments, the new City of Toronto Act follows the ‘strong mayor’ model of concentrating power in an executive at the expense of Council and public input. Similarly, the Waterfront Development Corporation, which is to have oversight of the massive plans for development along Lake Ontario, is an appointed board dominated by business interests, with little transparency over its decision-making or operations. The notion that these steps had anything to do with increasing governmental transparency can now be seen as nakedly false after several years. This was, instead, classic neoliberal administrative reform of strengthening executive power at the expense of popular control to drive public administration ever closer to business interests as opposed to social justice concerns.

The Local Left

Capitalist development concentrates populations, production and power in cities. This has always posed strategic dilemmas for the Left. The Marxian tradition has focused on the Paris Commune, workers’ councils and developing organizational capacities. It has sought the reorganization and decentralization of economic activity. But it has also argued that building up local bases of power and administration had to be connected to projects to transform national state power and to internationalize political struggles and alliances against the world capitalist market. The French writer Henri Lefebvre saw building a new urban space as central to revolutionary prospects: ‘A revolution that does not produce a new space has not realized its full potential; indeed it has failed in that it has not changed life itself, but has merely changed ideological superstructures, institutions or political apparatuses.’ An alternate politics depends upon a political capacity to contest the dominant social powers that control existing urban space, but also the ability to command and produce a new space. Such liberated ‘red zones’ can take many forms in the struggle for a radical democracy. But they cannot be avoided.

In contesting neoliberal urbanism, the Left in Canada has taken up a large number of issues, such as urban poverty, contracting-out of work, racism and migration, defence of public space, and urban ecology. It has largely done so on the basis of individual campaigns of an activist group, the agenda of a Left councillor, or by a particular union fightback or organizing struggle. In Vancouver and Montreal (and to a lesser extent Winnipeg) the Left has formed wider political groupings. But these have all been more city-wide electoral pacts than political and campaigning organizations of the Left to develop an alternate agenda for urban space and to contest the capitalist city.

In Toronto, the NDP has a quite loose municipal caucus, and it has been years since a socialist presence on city council making the anti-capitalist case and demanding a more radical local democracy could be heard. The local Left has all but dissolved as an active force contesting local centres of power. The ‘Chow-Layton-Pantalone’ years – a decade that spanned the mid-90s to the middle of this decade – at Toronto City Council consolidated the politics of an individual councillor attempting to leverage minor social measures out of the latest development scheme and condo complex, negotiating the trimming of municipal services on the least unfavourable terms, and supporting local – preferably green – entrepreneurs and markets. Rather than animating and representing social justice movements that backed their elections, councillors increasingly acted as simply bargainers among a splay of interests at the table of urban renewal. It has only gotten worse since Chow and Layton departed to Federal politics.

The obvious still needs saying about the current term of Council: despite the mobilization of a large social bloc behind the two mayoralty candidacies of David Miller and a number of NDP councillors, it is still surprising how little has changed (except that the embarrassment of Mel Lastman is gone, and neoliberal urban policies do not have full sway). This period has been, more or less, one of ‘third way’ social democracy without anyone calling it as such. The Miller terms have neither offered an alternative to neoliberal urbanism and the socio-economic decline of Toronto, nor contributed to building a new urban Left. It has only yielded more of the same neoliberalism, but now wrapped in the corporatist gloss of the Toronto City Summit Alliance and the latest ‘pop urbanism’ of the creative city movement.

The quiescence of the Left at the local level in Toronto is little different than the disarray at other levels of political struggle. The silence of labour, environmentalists and the social left in criticism of the Mayor and city council has been deafening. Miller and the NDP councillors continue to be supported even after their terrible handling of the quite unnecessary municipal strike (largely egged on by Toronto media elites and Bay Street in the middle of the financial crisis). But this is because of even less enthusiasm – and justified fears – of all the rest.

While the Left has been dissolving as a political force, the neoliberals and Toronto business have been organizing and planning to contest progressive councillors and push their anti-tax, law and order, all-out development municipal agenda. The challenge for the Left is still to piece together at least some political agenda on a few key items that can act as a political pole and serve as a basis for mobilization afterwards. Neoliberal urbanism has served an ample supply of issues to be taken up. But can a new urban Left in Toronto – and indeed Canada – begin to form?

All the dilemmas, antagonisms and resistances of capitalism all take up residence in the city. This has given life to endless struggles of ‘local’ lefts around the social justice issues of poverty, contracting-out of municipal work, over public space and ecology, urban racism, and organizing service sector work. Community economic development, from this vantage point, is about community and class, spaces to live and not just spaces to

compete, about linking community and work-based struggle in re-forming a new political left. This is where the urban dreams of an exit to the neoliberal city reside.

It is our view that the dilemmas facing cities in Canada, in Toronto and around the world, are of staggering importance; that local politics and struggles for social justice are crucial to political organization today; and that confronting neoliberalism is also a confrontation with the political forces shaping today's City of Toronto of glittering towers, endless sprawl, shameful poverty, public wreckage.

Ideas for an Alternate Agenda for Urban Social Justice

Urban politics in Canada have become haunted by the same nightmare of liberal democratic politics as other levels of government: the more things change, the more they seem to stay the same. The decline of Canadian cities continues apace, and no one in Canada and Toronto can even recall what the 'new deal for cities' was about. The crooks and cronies around Lastman in Toronto are gone (although they have hardly departed from City Hall). But neoliberal urbanism continues on, and none of the major agendas of social justice that Miller came to power on have been implemented (except, one could argue, some of the contracting-out of municipal work, although this has resurfaced since the strike of summer 2009). The 'third way' social democracy that has become the ideological vision of the NDP, in its pragmatic search for policies that are not pro-state and not anti-market, has again failed to deliver an alternative.

This term of the Toronto Council has begun to develop a new urban transport agenda and a new waterfront policy, but these are far from what is needed and now will run up against fiscal austerity from all levels of government. Miller failed abysmally on the campaign issue he initially ran on: to rid the city of the disgustingly subsidized and hideous Island Airport. There has still not been any significant building of social housing to begin to run down the enormous backlog. Tax reform in Toronto under Miller has not stopped the shift toward increasing reliance on property taxes and away from business. The urban planning agenda, after an enormous effort to develop a new city plan, has, if anything, reinforced the 'let's make a deal' evolution of development (with hapless senior planning officials, the lacklustre leadership of NDP councillors, and the pro-development Ontario Municipal Board all doing their part). The democratic oversight of the Toronto police (which had gotten wildly out of control under Julian Fantino) remains extremely brittle, and there have only been small attempts to rein in the racial biases of policing. The underfunded school system is now facing further blows from provincial cuts and the lack of municipal support. And the City of Toronto, under these fiscal pressures, is ever-increasing the commercialization of daily life and vulgarizing public spaces with commercial logos. Civic life has become simply another moment for corporate advertising. This list could be extended.

The new City of Toronto Act gave minor new taxing powers to the city and created a stronger executive around the Mayor at the expense of Council. The new City Executive is dominated by the NDP bloc of councillors with a range of independents. It is, in fact, all over the political map, has no common agenda, and they continue to compete with each other in leveraging deals without any particular new urban vision, and certainly none about social justice. More 'green entrepreneurialism', more 'community involvement', a more 'creative city', and better 'transit systems' seems to be on the agenda of every municipal politician and the Toronto business elite around the Board of Trade. But what these mean is anybody's guess. The 'market ecology' and 'creative city' agenda, a vague notion of urbanism equated with market competitiveness has marked the political regime of Miller over both his terms. It has not made Toronto any more socially just, indeed, things have gotten worse. It is hard to take serious the notion that a change of mayor next year is going to improve things.

Most of the interesting campaigns have been quite apart from the main campaign itself – the work by the Labour Council on protecting local jobs and for a higher minimum wage; the various campaigns for a living wage and anti-sweatshop purchases by UNITE-HERE and others; the continued day-to-day grind of anti-poverty and homelessness activists; the No One is Illegal work on undocumented workers; the work exposing the role of dirty development money in city politics; the campaigns for expanding public space and ridding municipal properties of commercial advertising; the Campaign for Public Education; the work on green energy and against the Island Airport by ecology groups; and many others. These campaigns all work more and more against the power structure as it has come to dominate local government, even as many of the political actors change from term to term of Council. The coalition of three years ago that brought Miller to power for a second term is all but gone, and the city strike of 2009 demonstrated its futility in advancing a social justice agenda and mobilizing the constituencies it had built up in supporting striking CUPE workers. The disorganization of the Left at the local level in Toronto is now no different than at other levels of political action. This is, at the end of the day, the political space that neoliberalism thrives in. And it now dominates – or rather overwhelms – Toronto social justice politics.

An Alternative Fiscal Framework

There is a need for a basic set of reforms in the framework of governmental relations in Canada. These reforms are hard to separate out from the need for a democracy movement in Canada that would address a whole range of needed constitutional reforms, from republicanism to the unelected Senate, to settlement of the constitutional aspirations of Quebec and the Aboriginal peoples. In this context, an appropriate drawing out of the constitutional status of cities could also be undertaken. Canada has, in many ways now, the most backward and undemocratic constitutional structures amongst the advanced countries. The lack of constitutional modernization is reflected in the treatment of urban government as simply a constitutional prerogative of the provinces and the unstable funding structures. Apart from this overarching need, the following needs to form some of the core priorities of urban reform:

1. A key priority must be the provision of higher and more secure levels of funding for social services and public infrastructure at the municipal level. There is no solution to be found at the local level alone for its fiscal imbalances. But it is at the local level that the social dislocations from downloading under neoliberalism and the financial crisis are being registered. The Federal Government had large surpluses until the current crisis, and the provincial government of Ontario was also in solid fiscal shape. They both have sacrificed fiscal capacity since the mid-90s in the name of permanent tax cuts. This has produced structural fiscal imbalances with respect to social needs, especially municipal infrastructure, alongside a cyclical fiscal deficit. There is no possibility to address these funding needs and social justice under present tax structures, and in particular in how those taxes are levelled. Neoliberal tax policies have failed at every level to deliver improved economic efficiency or social justice.
2. Federal Government fiscal transfers need to return to attaching conditions rather than being simply drained into provincial general revenues, where they have gone to fund tax cuts rather local needs. Every study of the changes of fiscal federalism has demonstrated this result. The corollary is a patchwork of welfare, educational and urban programmes across the country. Such fiscal transfers neither bring more local control or coherent programming.
3. The Federal Government needs to re-establish a national cities policy, particularly for infrastructure, education funding, water quality and access and a national urban parks system.

4. Local governments need to be supported by provincial governments in developing long-term planning capacities to plan for rebuilding cities: for bridges, roads, public transit, sewers, water plants, schools, urban development and parks.
5. Social housing is a disaster across Ontario. Cities do not have the fiscal capacity to build the necessary stock. It is a priority to re-establish provincial and local social housing plans.
6. There is a need for a universal childcare policy, with increased resources to municipal governments to expand facilities in this area – an ‘early childhood building programme’. This is a priority for cities as this has to be linked to transportation access and building upon community centres.
7. The provincial government allocation of part of the gas tax to cities at two cents a litre for public transit is a small start in addressing urban transportation. But Canada continues to fund public transport at the lowest levels of any developed country, and has some of the highest fares on users. The result is that major cities in Canada like Toronto have urban transport systems that are twenty to thirty years behind European and Asian cities (often even if the facilities being laid in Toronto are new). Specific funding tranches are needed for public transit, but this needs to be coupled with development of a national public transport policy and planning capacities encompassing urban transport.
8. The overall matrix of taxation has radically shifted under neoliberalism, so that taxes on capital and wealth have fallen dramatically, while indirect taxes on individuals in the form of sales and payroll taxes have increased. Broadening the fiscal base is necessary, but this has been done without concern for equity and with fallacious economic reasoning about economic efficiency (which, in fact, has miserably failed to reverse the relative economic decline of Canada, Ontario and Toronto). There is a need to reduce the overall funding of Ontario urban needs via the property tax system and reversing the direction of a range of the tax cuts that neoliberalism has imposed as a consequence of economic dogma.
9. A range of new taxing powers for urban levels of government need to be considered.

A Developmental Local Democracy

Local democracy has been skewed over the last decade to become increasingly what philosophers of democracy call a ‘taxpayer democracy’, that is, participation, access and policies are increasingly being determined by commercialism, wealth and the need to attract corporate sponsorships. This is partly an inherent limit of liberal democracy, but neoliberalism has also theoretically defined – and made in practice – democracy as consumer choice. Democratic participation in the process of meeting and administering social needs is seen as wasteful and unjust expenditures. It has gutted the meaning and practice of democracy as a developmental process of making citizens, a particularly important role for local governments. Local democracy, and Toronto is one of the most suffering in this respect, has particularly fallen into disrepute: participation in local elections has starkly fallen off; elected positions such as with school boards have been eliminated; and the exercise of local or community power has been caught in the vice of downloading and ever-increasing needs.

The CSJ has developed research and work in this area, as part of this project, in studies by Robert MacDermid [<http://www.socialjustice.org/index.php?page=funding-city-politics-municipal-campaign-funding-and-property-development-in-the-greater-toronto-area>] looking at the financing of local democracy in elections and the ties to the development industry. This has led to a number of suggestions and further work on the funding of

municipal elections and monitoring of contributions and other ties between business interests and local government. This is a small start. It is not hard to imagine a range of initiatives that could be done. To illustrate:

1. Local planning could be expanded. Why does each ward not have its own set of urban planners, reporting to a ward council, constantly helping the ward assess community needs and ensuring city policies are kept up?
2. Expansion of access. Why cannot the range of free services be expanded? Participation in community and social life is the essence of democracy and this has always been a central part of urban life, which neoliberalism has assaulted with the extension of user fees and the reduction of taxes.
3. Users involved in defining needs. Why cannot the city expand the involvement of user groups in defining urban needs through community development councils (CDCs)? Such CDCs could be used to expand popular involvement in local politics, monitor and plan local needs, link to city-wide planning processes, and so on.
4. Develop local employment plans. Why can CDCs not be involved in developing local employment plans to provide jobs, assess training and education needs, provide early warning systems to plant relocations, control and expand local investment control?
5. Develop zones of cooperative production. Why can local democracy and CDCs not be used to expand the sphere of co-operative production through supporting local co-ops, expanding repair and recycle zones, developing the cultural community, developing local produce markets, and keeping local savings in the community through new financial initiatives?
6. Local ecological responsibility. Most ecological responsibility has been defined on an individual basis. Why can a local democracy not also expand local control over resource usage and waste by expanding and supporting local responsibilities? Why cannot teams of community activists, urban planners and public employees trained in ecological practices do wider ecology audits and strategic planning for neighbourhoods treated as interconnected sustainable communities?

This short intervention on ideas for alternatives is clearly not exhaustive. It is merely suggestive of what is an endless number of ideas that could be developed. It is often claimed that there is a lack of alternatives to the policies of neoliberal urbanism that dominate the City of Toronto. This is pure self-interested nonsense. The historical experience of Toronto shows this not to be the case, and there never has been more ideas of alternatives for urban development and daily life in cities. A huge catalogue of needs and projects in Toronto go unmet or are endlessly delayed, yet each is matched with many imaginative and realistic approaches to address them. These are what we can call 'feasible utopias', that is, structural reforms that would fundamentally alter urban life while advancing social justice and the democratic capacities that go along with it. The problem is not at the level of ideas or sustainable administrative and democratic practices. The impasse lies in the fragmentation and political strength of the social justice movements in Toronto. That is what is needed to be built.