

Preface

This is a book about poverty in Winnipeg, but not just Winnipeg. It is true that poverty is higher in Winnipeg than in most Canadian cities, and that the high levels of poverty affecting Aboriginal people is a greater problem in Winnipeg than in most—not all—large Canadian centres. But the patterns of poverty identified here and the solutions that are advanced are not at all unique to Winnipeg. The trends in the incidence of poverty over the past twenty years and the relationship of poverty to household types, to changes in the structure of the labour market and to the nature of the political response to poverty, including reductions in levels of social assistance, are patterns that are familiar to all Canadian urban centres.

There is, however, a distinct advantage in looking at poverty by means of a case study of one particular city. The authors in this volume look at poverty from several different perspectives, producing a more richly layered and textured analysis than might otherwise be possible. The closer attention to detail that is made possible by this method is especially important in considering solutions to poverty, which is the purpose of this book.

A wide variety of solutions to poverty have been tried in Winnipeg, as in the rest of Canada. The neo-liberal response instituted in recent years by federal and provincial governments, featuring a reliance on the forces of the “free” market, has failed. “Trickle-down” economic policies and dramatic cuts to government transfer payments have not reduced the level of poverty in Canada. While it is true that poverty is a complex and multi-faceted phenomenon for which there is no single solution, it is nevertheless the case that community-based initiatives are a *necessary* feature of any real and lasting attempt to eradicate poverty in Canada. Winnipeg’s rich experience with community-based solutions to poverty is evidence of that truth and may be a model for other cities throughout Canada and beyond.

While the purpose of this book is to reflect on local community-based solutions to poverty, it is of course the case that developments beyond the local level play a crucial role in any attempt to develop solutions to poverty. For example, improvements at the provincial and national levels in income security and labour market policies are desperately needed in the fight against poverty. One can imagine a range of such policy changes, the result of which would be the creation of a climate in which the community-based solutions discussed in this volume would flour-

ish and proliferate. Similarly, although they are discussed only briefly here, in the opening chapter, developments in the global political economy in recent decades run directly counter to the initiatives described in this book. Indeed, at least some of the community-based strategies discussed in this volume—local hiring and procurement; incentives for local economic development in preference to corporate incursions, for example—are likely to contravene specific provisions of the various trade agreements to which Canada is now bound. The global affects the local; inner-city efforts in Winnipeg to build an indigenous economy that meets local peoples' needs are not at all unrelated to mass protests in late 1999 in Seattle.

The focus of this book, however, is very much on the local. What may be said is that the crisis of poverty in Winnipeg and the many innovative and imaginative community-based responses to that crisis being put into practice in Winnipeg are solutions that can be and are being applied right across the country and beyond. Local community-based solutions can and do have national and even global applications.

The first chapter, "Persistent Poverty in Canada," places Winnipeg in a national context by identifying the patterns of poverty in Canada as a whole over the past twenty years. The risk of poverty is shown to be related to household type, as well as to gender, age, and the number and age of children in a family. These factors, in turn, are largely a function of differing relationships to the labour market. The rapidly changing character of the labour market, in particular the growth of part-time and low wage jobs and of self-employment, plus declining real wage levels, have been important factors in keeping poverty levels in Canada persistently high these past two decades. This trend has been added to by the dramatic cuts in various forms of social assistance. Poverty levels have remained high even as unemployment levels have declined since 1993. Since poverty levels have historically declined when unemployment has declined, this apparent severing of the connection between employment and poverty is a particularly worrisome trend.

Chapter Two, "High and Rising: The Growth of Poverty in Winnipeg," documents the steady, indeed dramatic, growth of poverty in Winnipeg, and especially in Winnipeg's inner city, since 1981—a process which mirrors the Canadian trends identified in the first chapter. The high incidence and rapid growth of poverty in Winnipeg's inner city are associated with high and growing rates of unemployment, low and declining rates of labour force participation, and low and declining real income levels. This is especially the case for single parents and Aborigi-

nal people, and especially Aboriginal youth, in the inner city. Contrary to popular belief, however, there are more poor people beyond than within Winnipeg's inner city, and while most single parents and most Aboriginal people are poor, most poor people are neither Aboriginal nor single parents. From these observations the authors draw two conclusions. First, the high incidence of poverty in the inner city, and among single parents and Aboriginal people, is a particularly acute problem. Second, it would be a serious mistake to assume that poverty in Winnipeg is confined to particular parts of the city or to particular parts of the population. Indeed, the authors argue that the problem of poverty in Winnipeg as a whole has reached crisis proportions. The crisis of poverty in Winnipeg demands an immediate and dramatic response. A major part of the response, the authors contend, has to be the community-based solutions that are a major theme of this book.

Chapter Three, "Workfare in Manitoba," examines the welfare "reforms" instituted in the 1990s by the former Conservative government of Manitoba, culminating in the introduction of workfare in 1996—another Canada-wide trend. Workfare is a deeply flawed response to the problem of poverty. It is based on the false assumption that people on welfare are lazy, dishonest and undeserving. There is no evidence to sustain this assumption. Moreover, workfare is coercive, although coercion is neither necessary nor appropriate. Workfare does not create a long-term solution to poverty, nor to unemployment. There is no evidence that workfare programs—despite their frequently high costs—are successful in moving people out of the welfare system. Instead, social assistance recipients are shuffled through a series of temporary jobs, in some cases involving subsidies to private sector employers. Rarely do the jobs become permanent once the subsidy has expired. In other cases, welfare recipients are forced to work on a "voluntary" basis with community organizations. There is a dark irony at work in a government policy which forces the poor to work for free for agencies which are no longer able—because of funding cuts by that same government—to provide them with effective support. The author concludes that the most successful programs are voluntary, community-based programs that provide supports to people to enable them to improve their own circumstances.

Chapter Four, "The Case For a Strong Minimum Wage Policy in Manitoba," begins by detailing the significant decline in recent years in Manitoba's minimum wage, in real and in relative terms—a decline which is not peculiar to Manitoba but is Canada-wide. The chapter then sets

out the cases both for and against a higher minimum wage. The argument *against* higher minimum wages—that a high minimum wage results in job loss, thus hurting the very people it was intended to benefit—is shown to be inconsistent with the bulk of recent empirical evidence. The evidence is that a higher minimum wage has, at worst, a modest effect on the availability of jobs and may even result in more jobs being created than lost. A higher minimum wage results in a reduction of the incidence of low incomes, and thus of poverty, and a reduction in the degree of inequality in the distribution of income. Thus a higher minimum wage is an important part of an effective anti-poverty strategy. It is also likely that a higher minimum wage will increase aggregate levels of economic activity and of employment, thus benefitting the economy as a whole. The authors conclude by calling not only for a higher minimum wage, but also for the indexation of the minimum wage to the Consumer Price Index for Manitoba, in order to ensure that its value is not eroded in real terms as the result of inflation.

Chapter Five, “Aboriginal People in the Winnipeg Economy,” describes the particularly difficult circumstances faced by a significant proportion of Winnipeg’s rapidly growing Aboriginal community. Although this issue is more significant in Winnipeg than in most Canadian cities, it is by no means peculiar to Winnipeg. As measured by most economic indicators—unemployment and labour force participation rates, average income levels, adequacy of housing, rates of mobility and incidence of poverty—Aboriginal people in Winnipeg are, on average, less well off than Winnipeg’s non-Aboriginal population. This is so despite clear evidence of a desire to secure paid employment and despite active participation in a wide range of informal sector activities. Complicating these problems is the fact that most Aboriginal political organizations lack the institutional and financial capacity for economic planning and development. Yet, some of the most innovative and promising community-based solutions to poverty have arisen from the efforts of Aboriginal people working in Winnipeg’s inner city. This chapter lays the foundations of the community-based anti-poverty initiatives that are the “solutions that work” referred to in the title of this volume.

The way in which a community-based solution has been applied at an inner city school in one of Winnipeg’s lowest-income neighbourhoods is the subject of Chapter Six, “In The Face of Poverty: What a Community School Can Do.” By using its resources to purchase locally and to hire locally, the school has contributed to local economic development and local employment, thus strengthening and stabilizing families in

the surrounding community. In addition, Heather Hunter, author and former Principal of the school, describes how the community has been brought into the school's decision-making process, creating opportunities for people who live in poverty to be the actors—the ones who shape and create their world—rather than the acted upon. The premise is that this, too, will strengthen and stabilize families and community. This is absolutely essential because stronger and more stable families and communities are the key to better school performance by children in poverty. The example described in this chapter is evidence, applicable to all Canadian settings, of the important part that local schools can play—and, by extension, that other such institutions *could* play—in advancing the community-based solutions to poverty that are the focus of this book.

Chapter Seven, “Solutions that Work: Fighting Poverty in Winnipeg’s Inner City,” provides a range of evidence drawn from recent authoritative reports that poverty in Winnipeg has reached crisis proportions. The costs—both to those growing numbers who live in poverty and in a variety of ways to society as a whole—are far too high. Those solutions tried in the past—both free-market, “trickle-down” economics and top-down programs conceived and delivered by government officials to, rather than with, those who are poor—have not worked. The solutions that work are community-based solutions which actively involve and support those who are living in poverty in solving their own problems. Using the voices of inner city residents and anti-poverty activists, many examples of exciting and innovative community-based initiatives by which people in poverty work to solve their own problems and meet their own needs are described. Adequate funding of such community-based initiatives, together with a range of supportive government policies—the provision of adequate and affordable child care facilities, the enactment of a strong minimum wage policy, investment in early childhood education initiatives, for example—constitute the basis of a strategy by which poverty in Winnipeg, and in other Canadian urban centres, could be overcome. All that is needed is the political will to act.