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City profile

Toronto's governance crisis: A global city under pressure

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ABSTRACT

The 1991 profile of Toronto in Cities presented a picture of a municipal and metropolitan government with a strong reputation for solving urban problems (Lemon, 1991). Two decades later, Toronto is a polarized and divided city that seems unable to address its urban problems. It suffers from a dysfunctional urban politics, crumbling infrastructure, traffic gridlock and inadequate investment in transit, growing income disparities, and a lack of affordable housing. We find three main changes are responsible for Toronto's difficulties including economic globalization, political restructuring (e.g., amalgamation), and the ascendance of neoliberalism as the governing philosophy at the provincial and federal levels. Toronto's crisis metaphor has emerged as it has achieved global city status. Toronto therefore presents a particularly fascinating case to explore a global city under pressure.

> "Toronto has been the 'city that works'. Local government, including Metropolitan Toronto, has succeeded in solving urban problems."
>
> [Lemon, 1991, 258]

> "Creation of the megacity has led to wedge politics and a debilitating sense of "them" and "us" which, whether real or not, makes it almost impossible to achieve political consensus on big issues."
>
> [Greenberg, June 8, 2013]

1. Introduction

The 1991 profile of Toronto in *Cities* presented a picture of a metropolitan and municipal government system with a strong reputation for "solving urban problems", celebrated in American publications including *Life*, *Fortune*, *National Geographic*, and *Harpers* (Lemon, 1991). The Province of Ontario created Metro Toronto as a regional government to plan for the orderly development of the metropolitan area. Planning and mass transit were especially noteworthy successes. Two decades later, Toronto is a polarized and divided city that seems unable to address its urban problems. It suffers from a dysfunctional urban politics, crumbling infrastructure, traffic gridlock and inadequate investment in transit, growing income disparities, and a lack of affordable housing. Toronto has gained notoriety, but not for the right reasons. Former Mayor Rob Ford's crack scandal and drunken tirades were extensively covered and ridiculed on late night television, including shows such as Jimmy Kimmel, Jon Stewart, and David Letterman, as well as news shows including CNN and the Today Show. In this profile, we examine how Toronto shifted from the "city that works" to a city in crisis.

There are three main changes that account for the dramatic shift in Toronto's capacity to solve its problems. First is economic globalization and structural changes to the economy. Toronto's crisis metaphor has emerged as it has achieved 'global city' status and steady population growth. Indeed, *The Economist* (2015) ranks Toronto as the "best place to live" among the top 50 global cities (p. 20), though the question remains: the best place to live for who? Globalization has led to increased immigration and diversity in the city, but the quality of life for many newcomers is poor. Economic restructuring has reduced manufacturing and linked the city's urban fortunes more and more to the world economy, with significant spatial consequences and greater inequality among residents. Some residents have prospered and have the advantages that come from living in a major global city. Others have been left behind and struggle to find work and access to the city's services and amenities.

Second are politics and institutional changes in government. Since it was last profiled in *Cities* almost 25 years ago, Toronto went through a major political restructuring involving amalgamation of Metro Toronto with its six municipalities alongside a major intergovernmental reorganization of local and provincial services

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and revenues.[1] The Ontario Progressive Conservative government of Premier Mike Harris, elected in 1995, amalgamated Toronto and unleashed the *Local Services Realignment* plan to promote "efficient and cost effective government" (Ontario, 1999, 1.4). Philosophically, the *Common Sense* platform embraced by the Conservatives embodied a neoliberal policy agenda that included greater reliance on markets, less government regulation, privatization, and devolution.

In practice, ideological purity combined with the political requirements of satisfying the suburban and rural electoral base of the Conservative government and weakening the voices of the left 'reformists' in the old City of Toronto. The cornerstone of the new governance model was amalgamation producing a large, monocentric city in the former Metro boundaries and the elimination of the lower-tier municipalities. At the same time, surrounding suburban regional governments and municipalities were not included in the amalgamation as these voters formed the core of the Conservative coalition base. Provincial tax cuts meant the Province could not keep its promise that realignment would be revenue neutral, resulting in increased costs associated with those social housing, transit, and social services newly devolved to the amalgamated City of Toronto.

This points to the third significant change since the last *Cities* profile, the ascendance of neoliberalism as the governing philosophy. The federal, provincial, and city governments have all adopted a neoliberal policy agenda grounded in austerity policies that include lower taxes, greater reliance on market processes, scaling back or dismantling the welfare state, and embracing new public management policies (see Evans & Smith, 2015). Federal and provincial governments have essentially walked away from accepting responsibility for financing urban infrastructure, supporting full employment policies, or essential welfare support. While the Province bolstered local autonomy with passage of the new *City of Toronto Act* in 2006, the city still lacks sufficient revenue capacity to meet the cost burdens associated with service devolution, to maintain existing infrastructure, and to provide new infrastructure and services required to support the additional 1 million people estimated to be living in the city by 2025.

Without a doubt, Toronto has emerged as a global city. Yet, as the following analysis will show, the city has failed to adopt a comprehensive global city agenda that incorporates an inclusive economic strategy for the city-region and invests in the requisite social and physical infrastructure to meet the needs of its residents. While former Mayor Rob Ford certainly contributed to Toronto's governance crisis, the problems in Toronto are emblematic of the crisis currently facing global cities around the world. Namely, a new economy that fails to provide adequate work or income for as much as half the city's population, insufficient revenues and institutional authority to address urban ills and to provide basic public services and infrastructure, and a lack of adequate support from higher levels of government. Toronto therefore presents a particularly fascinating case to explore a global city under pressure, but one that is probably not unique.

2. A growing city

Compared to other global cities in North America and Europe, Toronto is still growing rapidly. Toronto has a population of 2.6 million, reflecting a 4.5 percent growth rate between 2006 and 2011 (Statistics Canada, 2012). The census metropolitan area (CMA), with 5.5 million people, had a growth rate of 9 percent between 2006 and 2011.[2] An unofficial but popularly used amalgam of the city and its neighbouring regional governments of Halton, York, Peel and Durham, known as the Greater Toronto Area (GTA), has a population of 5.6 million (Bourne, Hutton, Shearmur, & Simmons, 2011). Capturing the larger GTA is important because the rate of population growth is much higher in these regions than in Toronto (Bourne et al., 2011). The Ontario provincial government, which is currently responsible for regional planning, uses an even larger area to capture the city-region that it has coined the Greater Golden Horseshoe (GGH). The GGH includes the GTA as well as Peterborough, Kitchener-Waterloo, Guelph and St. Catharines-Niagara, and has a total population of 7.5 million (Bourne et al., 2011) (see Figs. 1 and 2).

2.1. A diverse city or a divided city?

Globalization has brought an influx of new immigrants to Toronto, a diverse group in terms of country of origin and socio-economic status. Immigrants now make up almost 50 percent of the city's population, reflecting more than 200 different ethnic groups (Siemiatycki, 2011) (see Photo 1). The largest groups are South Asian, Chinese, Filipino, Southeast Asian, Korean and Japanese (Preston et al., 2011; Siemiatycki, 2011). There are also large numbers of the most vulnerable immigrant groups in Toronto, convention refugees and asylum seekers (Preston et al., 2011).

Historically, immigrants settled in the downtown core of Toronto. However, new immigrants are increasingly settling in the suburbs and surrounding regions (Siemiatycki, 2011). A recent study on the suburbanization of immigration settlement indicates that two of Toronto's inner suburbs, Scarborough and North York, have more than half of their census tracts with a population of 50 percent identifying as 'visible minority' (Wang & Zhong, 2013).[3] This is also the case in two outer suburban towns of the GTA – Brampton and Markham – and trends point to continued population growth in these outer suburbs (Wang & Zhong, 2013). Despite these large numbers, visible minority groups currently represent only 13 percent of Toronto city councilors (Horak, 2012). Siemiatycki (2011) attributes this in part to amalgamation, which cut the number of city councilors in half and increased the size of wards, which diluted immigrant voice and increased the costs of running for office. Furthermore, immigrants without citizenship status are unable to vote in municipal elections.[4]

Many new immigrants are living in poverty, concentrated in the city's underserviced inner suburbs (Hulchanski, 2007, 2010; Murdie & Ghosh, 2010). Immigrants arriving to Toronto in the 'globalization' period are faring worse socio-economically than their predecessors who began to arrive in the city after World War II. The income gap between foreign- and Canadian-born has increased alarmingly. The proportion of recent immigrants in Toronto with a university degree working in 'low-skilled' jobs increased from 22 to 28 percent for men and from 36 to 44 percent

[1] The former municipalities of metropolitan Toronto – Toronto, Etobicoke, North York, East York, York and Scarborough – disappeared with the provincially imposed amalgamation in 1998. No new regional authority capable of managing physical and social infrastructure planning and investment across the rapidly expanding Greater Toronto Area (GTA) was established, with the exception of the short-lived two year Greater Toronto Services Board.

[2] Statistics Canada measures Toronto's Census Metropolitan Area (CMA) based on workplace commuting patterns (Statistics Canada, 2012, http://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=535).

[3] "The Employment Equity Act defines visible minorities as 'persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.' The visible minority population consists mainly of the following groups: Chinese, South Asian, Black, Arab, West Asian, Filipino, Southeast Asian, Latin American, Japanese and Korean." (Statistics Canada, http://www.statcan.gc.ca/concepts/definitions/minority-minorite1-eng.htm).

[4] The City of Toronto has passed a resolution asking the province to provide the vote to immigrants with permanent residency. However, newly elected Mayor John Tory opposes extension of the vote to noncitizens.