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## Poverty Policy Choices and Winnipeg's Inner City

Provincial government policy can be designed to punish those in poverty, or to reduce poverty. Both approaches have been tried in Manitoba, the first in the 1990s and the other more recently. We can compare these approaches by examining Winnipeg's inner city.

Over the past 15 years, and especially the past five years, Winnipeg's inner city has benefited from a community-led form of development supported by substantial public investment. The Winnipeg Foundation, United Way of Winnipeg and other such public bodies, and especially the provincial government, have led the way in investing public dollars in initiatives and strategies driven in large part by inner city community-based organizations (CBOs). Neighbourhood renewal corporations, women's resource centres, youth-serving agencies, alternative educational institutions, social enterprises and a wide variety of Aboriginal organizations have developed sophisticated anti-poverty strategies in which public dollars have been invested.

These investments are producing results. The Canadian Centre for Policy Alternatives' *State of the Inner City Report 2015* tracked changes

in the inner city from 1996 to 2011. It found that decades of population decline have been stemmed, education and employment in the inner city are improving, while incomes are rising faster and poverty is declining faster in the inner city than in the non-inner city. The Report concludes that most of these gains are likely "attributable to provincial government investments in community-led solutions."

This approach — the community takes the lead in designing anti-poverty initiatives and strategies; the provincial government and other public bodies invest in them — stands in stark contrast to the approach taken in the inner city in the 1990s. Conservative provincial governments in the 1990s cut funding. A government news release of March 15, 1993, for example, announced \$3 million — \$4.5 million in today's dollars — in cuts to 56 organizations, many in the inner city.

On June 1, 1993, the 600-member social justice coalition, Cho!ces, organized a day of public hearings called *Policies for People* at the Indian and Metis Friendship Centre in Winnipeg's North End. A Cho!ces document arising from the hearings, titled *The Real Deficit*, concluded from what the 30 presenters said that

## Election 2016 UNSPUN continued ...

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day that “our worst fears were borne out” by “a budget characterized by cuts targeting the disadvantaged and benefitting the well-to-do.”

Aboriginal organizations were particularly hard hit. *The Real Deficit* reported that “all 11 Indian and Metis Friendship Centres in Manitoba lost their provincial funding, a total of \$1.2 million.” Funding to the Ma Mawi Wi Chi Itata Centre was cut by 10 percent. ACCESS programs that provided financial and other supports to disadvantaged students trying to improve their lives by attending post-secondary education were cut by 14 percent — \$1.2 million. Funding for Winnipeg’s Child Protection Centre was cut by \$150,000, an 8 percent reduction. The Centre’s highly respected Director, Dr. Charlie Ferguson, resigned in protest from the provincial advisory committee on child abuse, and Sharon Carstairs said the provincial government had “betrayed the children of this province.” The budget of the Manitoba Anti-Poverty Organization was cut by \$63,000; that of the John Howard Society by \$41,800. The Association for Community Living took a \$100,000 cut. Funding cuts to the highly successful New Careers program, which had graduated more than 1000 multi-barriered trainees, forced the program to close. Student social assistance — funding to enable low-income students to stay in school — was cut, prompting long-time inner city teacher Brian McKinnon to say in his presentation that “cutting student social allowance is not only politically inhuman, but it’s also just plain stupid.”

Those on welfare were particularly targeted. A Welfare Fraud Line was created to encourage Manitobans to report suspected welfare “cheats,” “workfare” was implemented and the National Child Benefit, the federal supplement to low-income families on welfare aimed at reducing child poverty, was clawed back by the provincial Conservative government.

All of these cuts worsened a crisis of poverty that peaked in the mid-1990s. A study published in 2000, titled “*High and Rising: The Growth of Poverty in Winnipeg*,” reported that by 1996, 50.8 percent — just over half — of all inner city households had incomes below the Statistics Canada Low Income Cut Off, often called the poverty line. For Aboriginal people it was worse: “more than four-fifths of Aboriginal households in Winnipeg’s inner city — 80.3 percent — are below the poverty line.” These conditions were described as “a massive problem.” Action had to be taken, the study concluded, or the crisis of poverty would worsen.

Thus we have two very different approaches to poverty policy, with evidence on the outcomes of each in the inner city.

In the 1990s the provincial government implemented a wide range of funding cuts, targeting community-based and especially Aboriginal organizations, and people on social assistance. Poverty worsened, reaching astonishing levels. In the past 15 and especially the past 5 years, there has been public investment in community-led initiatives, the cumulative effect of which is that poverty-related indicators in the inner city are now improving. Greater investment in effective community-led initiatives would produce still further improvements.

This evidence suggests that investing intelligently in community-driven anti-poverty initiatives, as has been done in recent years, produces better results than dis-investing in such initiatives, as was done in the 1990s.

*Jim Silver is Chair of the UW’s Department of Urban and Inner-City Studies, in Winnipeg’s North End. He is a Research Associate with the Canadian Centre for Policy Alternatives-Manitoba.*

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