Strategies for Inclusive Economies

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STRATEGIES FOR INCLUSIVE ECONOMIES

Wanted: Greater Equity and Inclusion!
Urban Canada’s
Neighbourhood Change Trends

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Future Cities Canada Summit, Toronto, 8 November 2018

Neighbourhood Change is funded by the
Social Sciences and Humanities Research Council of Canada
Gini Coefficient for Fifteen OECD Countries in Three Groups, 2015-2016

Nordic Countries
- Finland: 0.26
- Denmark: 0.26
- Norway: 0.27
- Sweden: 0.28

Western European Countries
- Belgium: 0.27
- Austria: 0.28
- Netherlands: 0.29
- Germany: 0.29
- France: 0.30

Anglo-American Countries
- Ireland: 0.30
- Canada: 0.32
- Australia: 0.34
- New Zealand: 0.35
- United Kingdom: 0.35
- United States: 0.39
Income Inequality Between Neighbourhoods
Seven Census Metropolitan Areas, 1970–2015

- Halifax (+17% since 1970)
- Montréal (+17% since 1970)
- Toronto (+68% since 1970)
- Hamilton (+60% since 1970)
- Winnipeg (+26% since 1970)
- Calgary (+70% since 1970)
- Vancouver (+30% since 1970)

A Gini coefficient value of 0.0 represents perfect equality. All census tracts would have the exact same proportion of income relative to their share of the population. A Gini coefficient value of 1.0 represents perfect inequality. All of the income would be taken by one single census tract while others take none.

Calculated from census tract average individual income from all sources, before-tax. Income 1970–2000 and 2015 is from the Census. Income for 2010 is Canada Revenue Agency T1FF taxfiler data.
Income Polarization Between Neighbourhoods
Seven Census Metropolitan Areas, 1970–2015

A coefficient value of 0.0 represents the complete absence of polarization. All census tracts would be middle income, each having the exact same average. As census tracts move away from each other, towards higher or lower incomes, the COP value increases with no maximum.

Calculated from census tract average individual income from all sources, before-tax. Income 1970–2000 and 2015 is from the Census. Income for 2010 is Canada Revenue Agency T1FF taxfiler data.
Percentage Middle Income Neighbourhoods
Seven Census Metropolitan Areas, 1970–2015

Middle income status defined as census tracts with average individual incomes within 20% of the specific census metropolitan area (CMA) average income.

Individual income from all sources, before-tax. Income from the Census 1971–2001 and 2016. Income for 2010 based on all taxfilers from Canada Revenue Agency T1FF data.
Percentage Low Income Neighbourhoods
Seven Census Metropolitan Areas, 1970–2015

Low income status defined as census tracts with average individual incomes 20% or more below the specific census metropolitan area (CMA) average income.

Individual income from all sources, before-tax.
Income from the Census 1971–2001 and 2016. Income for 2010 based on all taxfilers from Canada Revenue Agency T1FF data.
Cause? Solution? Year-by-year policy & program changes

GOVERNMENT: Fair, inclusive policies?

LABOUR MARKET: Wages, Regulations

HOUSING SYSTEM: Cost of Housing

TAXES & TRANSFERS: Fair Distribution

DISCRIMINATION: Effective Protections
Immigrant Population Share
Eight Metropolitan Areas in Canada, 1961–2016

- Halifax
- Montréal
- Ottawa
- Toronto
- Hamilton
- Winnipeg
- Calgary
- Vancouver

Imigrant population refers to persons born outside of Canada. They include landed immigrants and permanent residents.
Total Tax Revenues as a Percentage of GDP, 1965–2016
Canada and Three Groups of Countries

Tax Revenue Share of Gross Domestic Product

Why does Income Inequality Matter?

Index of:
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility
The future of global inequality
How should it be tackled?

Significant shifts in

• National & global tax policies
• Educational policies
• Corporate governance
• Wage-setting policies
• Data transparency
How can inequality be tackled?

1. **Progressive Taxation.** “Tax progressivity is a proven tool to combat rising income and wealth inequality.”

2. **Ownership Transparency.** “A global financial register recording the ownership of financial assets would deal severe blows to tax evasion, money laundering, and rising inequality.”

3. **Address Education & Employment Exclusion.** “More equal access to education and well-paying jobs is key to addressing the stagnating or sluggish income growth rates of the poorest half of the population.”

4. **Public Investment** (education, health, housing, environment). “Governments need to invest in the future to address current income and wealth inequality levels, and to prevent further increases in them.”
For further information

www.NeighbourhoodChange.ca

NCRP's research methods and analytic framework developed by
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Funded by the Social Sciences and Humanities Research Council of Canada (2005-2011; 2012-2021)
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Thank You!
Share your thoughts