

Does the State Matter? Politics, Policy, and Community Economic Development in Manitoba
and British Columbia

by

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A Thesis submitted to the Faculty of Graduate Studies of
The University of Manitoba
in partial fulfillment of the requirements of the degree of:

MASTER OF ARTS

Department of Sociology

University of Manitoba

Winnipeg

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Abstract

Community economic development (CED) is an alternative development framework, seeking to improve the social, economic, and environmental well-being of communities on a sustainable and inclusive basis. This thesis investigates the CED-related policy environments and CED-related social and economic outcomes in two Canadian provinces, Manitoba and British Columbia, in order to assess the extent to which state orientation impacts policy formation and well-being outcomes. Using both qualitative historical analyses and social and economic well-being outcome analyses of Statistics Canada data during the timeframe of 1990-2010, I demonstrate significant policy divergence between the political parties governing in the provinces through the timeframe of interest, as well as a more nuanced case for social and economic well-being outcome divergence. I conclude by incorporating these findings into a set of recommendations for fostering and expanding CED.

Acknowledgements

This thesis is the product of not just my own efforts, but the special efforts of several different persons to whom I owe thanks. First, I wish to thank my supervisor Dr. Mara Fridell, not only for her help with this thesis, but also for being so thoroughly and reliably in my corner throughout my studies at the U of M. My gratitude is due also to the remaining members of my supervisory committee, Dr. Mark Hudson and Dr. Ian Hudson, for their support, expertise, and efficiency as this thesis came to completion. Every student that goes through the Sociology program owes thanks to Margaret Currie, Dianne Bulback, and Donna Alexiuk, who's tireless efforts keep the whole department running.

This thesis is dedicated to my parents, Paddy and Carol, who taught me to be curious and value learning, and to my endlessly supportive and yet completely distracting partner Veronica, without whom this thesis probably would have been done a year ago.

I am pleased to acknowledge the generous financial support of the Social Sciences and Humanities Research Council of Canada (SSHRC) through the Manitoba Research Alliance grant: Partnering for Change - Community-based Solutions for Aboriginal and Inner-city Poverty. This research was also generously supported by the Faculty of Graduate Studies at the U of M, the Government of Manitoba, and the SSHRC CGS-M program.

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Chapter 1: Introduction

Inequality is an inherent and defining feature of the prevailing capitalist economic order, which is characterized by the constant competitive drive for accumulation, expansion, and innovation (Olsen 2011). Recent research that has focused on trends in distributional inequality has found that over the course of the previous three decades, income inequality has increased in most OECD countries, in some cases reaching historical highs (*OECD* 2015). These trends are of pressing concern given research that has demonstrated the deleterious impacts of inequality on social (Chernomas and Hudson 2010: 62; Kawachi et al. 1997: 1495), economic (Frank 2013; Glyn and Miliband 1994), and ecological (Moore 2015; Cushing et al. 2015; Baek and Gweisah 2013: 1436) well-being. The polarization of social and economic well-being, and the depletion of the natural world, has not been confined to ‘developing’ countries, but is also observable throughout the advanced capitalist nations of the Global North (Silver and Loxley 2007: 5). In the Canadian context, this phenomenon is readily observable among decaying inner cities, rural depopulation and economic distress, and the further marginalization of predominately indigenous communities displaced by the expansion of capital in search of exploitable resources (Silver and Loxley 2007: 5; Ritsema et al. 2015).

Historically, individuals in Canada (and many advanced industrialized nations like it) that find themselves on the losing end of the economic order have been able to rely on redistributive welfare state policies, such as employment insurance and social assistance, to secure the basic requirements of living and participating meaningfully in civil and political life (Marshall 1950; Schedstereder 2009). However, over the last several decades, these core welfare state pillars have been subject to retrenchment and crisis, leaving economically vulnerable individuals with a

significantly weakened social safety net upon which to rely (Esping-Andersen 1996; Breitkreuz 2005; Olsen 2011). In the absence of robust welfare state provision, scholars, activists, and communities have sought alternative means of confronting the failures of globalized, neoliberal capitalist development (Hernandez 2013: 7). One such alternative, arising in the 1980s in Canada, the United States, and the United Kingdom, is community economic development (Hernandez 2013: 7).

Community economic development (CED) has been defined as “action by people locally to enhance social, economic and environmental conditions on a sustainable and inclusive basis” (CCEDNet n.d.). CED emerged among scholars and activists as a response to “how a perceived loss of control over national and international economic activities shaped local areas and their futures” (Hernandez 2013: 7). It can be understood as both specific actions or tools (e.g. cooperatives, social enterprises), but also, as an overarching framework or lens with which to approach and analyze efforts to improve social and economic conditions (Reimer et al 2009: 1-2). Initiatives developed according to CED principles aim to deliver on social, economic, and environmental objectives to arrive at solutions to complex and interdependent issues such as homelessness, poverty, social exclusion, environmental degradation, and community decline (Amyot et al. 2012: 116). As noted by Reimer et al. (2009), a supportive and enabling policy environment is crucial to the viability of CED policies and initiatives. Competing with private sector businesses, which are often without goals beyond profit maximization, may necessitate preferential treatment by government at the policy level to account for the valuable social and environmental contributions of CED (Reimer et al. 2009: 2).

Over the course of the last several decades, both Manitoba and British Columbia have been governed by several different political parties. In Manitoba, the Progressive Conservative

Party led the provincial government from their election in 1988 until 1998, followed by the New Democratic Party from 1999 until 2015. Meanwhile, in British Columbia, the provincial New Democratic Party led the provincial government from 1991 until 2000, when the provincial Liberal party was elected, which governed until 2017. Focusing on the twenty-year period between 1990 and 2010, the goals of the present study are to examine and assess the effectiveness of CED-supportive policies in improving quality of life across a range of social and economic indicators. In doing so, it seeks to answer the following main research question: does state orientation make a difference? This overarching question can be further broken down in to the following three research questions:

- (1) How do Manitoba and British Columbia perform over time on a range of CED-related indicators of social and economic well-being?,
- (2) Does the political party governing at a provincial level make a difference?, and finally,
- (3) Is state policy an effective mechanism through which to expand community economic development?

This thesis aims to accomplish three main goals; the first, theoretical, the second empirical, and the third, strategic. First, this thesis aims to provide a useful theoretical discussion of community economic development incorporated along two main traditions: the globalization convergence hypothesis, and Power Resources Theory (PRT). Second, it aims to provide empirical evidence that the political party in power matters; that it makes a meaningful difference across a range of social and economic outcomes related to CED. These outcome effects are accomplished through developing and implementing supportive policies according to CED goals and principles. Finally, this thesis aims to provide a strategic benefit to communities

and states interested in implementing community economic development agendas locally. The central proposition at the heart of this thesis is that supportive policy matters, and can materially improve well-being. Evidence to that effect could be a useful tool to those wishing to pursue CED policy agendas, both at the community and governmental level.

These objectives are accomplished specifically in the following six chapters. Chapter 2 provides a detailed outline of the theoretical backdrop of the thesis, including Power Resources Theory and the globalization convergence hypothesis, and their application to state-sponsored community economic development. Chapter 3 provides a description of the data and methods deployed in these analyses; specifically, it will outline the procedures of both the qualitative political-historical analyses in Chapter 4, and the preliminary quantitative outcome analyses in Chapter 5. In Chapter 4, I outline and analyze the key historical and political contexts of Manitoba and British Columbia. Chapter 5 contains an empirical examination of CED-related social and economic well-being outcomes under provincial governments in Manitoba and British Columbia from 1990-2010. Chapter 6 provides analysis of the results of Chapters 4 and 5, focusing on assessing the extent to which the supportive policy environment fostered under the Manitoba NDP led to improved outcomes for the individuals and communities under their purview, as compared to those observed under the Conservative Party in Manitoba, as well as the NDP and Liberal governments in British Columbia. It will focus on returning to the research questions posed in this chapter in assessing the saliency of state orientation, and outlining a set of recommendations for improving and pursuing CED. In the final chapter, I conclude with some thoughts on the potential of state-sponsored CED to improve well-being, as well as outline some of the challenges in studying CED in the Canadian context.

Chapter 2: Theoretical Context

This chapter aims to set out the theoretical underpinnings of the analyses I undertake in later chapters. Principally, this chapter will discuss two main theoretical areas: globalization and policy convergence hypotheses and Power Resources Theory (PRT). In order to situate the present study within these theoretical discussions, this section will begin with a broad overview of community economic development, including its core tenets, as well as how these tenets differentiate it from the capitalism mode of development. In pursuing this discussion, it will outline some of the critiques of the approach, provide an overview of existing evidence supporting the approach, and finally, frame the need for CED in the contemporary context of inequality and welfare state withdrawal. It will then move on to outline the convergence hypothesis concerning states' policy latitude in the context of globalization. Having outlined this debate, this chapter will finish by describing and proposing Power Resources Theory as a theoretical explanation for enduring policy variation among capitalist nations.

COMMUNITY ECONOMIC DEVELOPMENT

Critics of the dominant capitalist mode of development have argued that existing development strategies that have focused on modernization and expansion to the benefit of the already economically powerful have ignored or underestimated key factors crucial to human well-being and freedom (Silver and Loxley 2007: 5). Large development actors such as the United Nations continue to operate under the assumption that 'development' requires those who are defined as poor be integrated in to the global capitalist world order to improve their living conditions (Hernandez 2013: 9) Awareness of the limitations, disparities, and environmental

degradation inherent in the capitalist model of development has led to the consideration of alternative development frameworks. In debating, how best to achieve alternative development that aims to “produce benefits for, and to build the capacities of, all people rather than just some” (Silver and Loxley 2007: 6), many have turned to community economic development (CED).

What is Community Economic Development?

CED can be understood as an alternative framework which seeks to employ development strategies aiming to ameliorate social, economic, and environmental problems within communities on a sustainable and inclusive basis (CCEDNet n.d.). It can further be understood as differing from the dominant capitalist form of development, in that while capitalist development tends to impose development upon communities externally, CED promotes development occurring from the inside, which is to say, arising from the assumption that community members should be the architects of their own development strategies (Silver and Loxley 2007: 6). A review of the CED literature reveals four main features of the approach, which taken together form the framework for CED: (1) CED is place-based; (2) CED is participatory; (3) CED is concerned with sustainability; and (4) CED is asset-based.

First, CED is place-based. The focus of CED is on the local scale, involving the use of locally produced goods and services, the production of goods and services for local use, and the local reinvestment of profits (Neechi 1993). CED strategies target the neighbourhoods and communities where people live, in order to strengthen the local economy through long-term employment of residents, localized skill development, and local decision-making (Hernandez 2013: 8; Neechi 1993). This stands in stark contrast to the dominant capitalist economy, which seeks to extract profits from local communities without reinvesting in them, before departing in order to take advantage of higher profit rates elsewhere.

Second, CED is participatory. CED endeavours to engage community members at all stages of the development strategy of their local communities. It holds that for an initiative to succeed in a local context by meeting the needs and goals of the community, it is necessary to develop plans through a participatory decision-making process (Hernandez 2013; Neechi 1993). By comparison, the capitalist economic system does not seek to address the needs and goals of community members, which often stand in opposition to the needs and goals of capital.

Third, CED is concerned with sustainability. Within a CED framework, what is produced is equally as important as how it is produced, which recognizes that the lived environments of communities are an important factor in the physical health of community members, as well as overall quality of life (Neechi 1993). Sustainability can also refer to generating and supporting economic opportunities that can be sustained within communities over the long-term (Hernandez 2013: 8). Under capitalist development assumptions, the lived environment represents an opportunity for expansion and exploitation of unpaid work/energy from nature and labour, leading to uneven regional development (Moore 2015: 54). Communities frequently outlive their usefulness once profits have been exhaustively extracted leaving behind deindustrialized regions beset with social and environmental problems (e.g. Detroit) (Peck 2016: 11).

Finally, CED is asset-based: Standard approaches to capitalist development tend to focus on what is lacking from a place (e.g. infrastructure, natural resources), or on the assumption that local communities are too small to sustain economic opportunity based purely on the local market (Loxley and Lamb 2007: 199). The CED approach begins by identifying the existing assets and strengths within a community, and then building on these assets according to local priorities (Hernandez 2013:9). This feature of the CED framework stands in sharp contrast to perspectives that misrepresent the problems of capitalist development as problems of the

particular regions it exploits. Rather than laying blame at the feet of communities ostensibly lacking an entrepreneurial spirit or some other workplace deficiency, it instead builds on the capacities that already exist (Peck 2016: 16). Each of the four factors outlined above clearly differentiate community economic development from capitalist economic development.

The CED approach has been subject to some critique by grassroots activists as well as indigenous groups, who question the efficacy of watered-down market-based CED approaches which coopt the rhetoric of CED, but amount to little more than rendering communities a more attractive target for outside business investment (Cummings 2001: 447). Critics point to mixed evidence concerning the ability of local development to reduce poverty within in the communities, suggesting a lack of effective targeting with strong mechanisms for channeling the benefits of economic growth to the poor (Cohen 1998: 539; Howells 2000: 162; Cummings 2001: 451). Further, market-based approaches tend to depoliticize poverty, focusing solely on incorporating low-income communities into the market, and not on enhancing the political resources of communities, nor challenging the institutional and structural arrangements that marginalize communities in the first place (Cummings 2001: 451). In order for communities to reap the full benefits of a robust CED approach, critics of market-based strategies argue for a return to CED's progressive political roots, with legal advocacy supporting community organizing around economic justice, coalition building between CED and broader progressive movements, and forging partnerships between communities to create regional, national, and transnational structures to combat economic marginalization (Cummings 2001: 458 – 464).

There have also been studies that have shown that CED does make a material difference across a range of factors. For example, a 2016 report on the impact of social enterprises in Manitoba found that participants in the program experienced improved employment, financial,

and well-being outcomes (*SiMPACT* 2016). Other program evaluations of CED initiatives in Canada have found significant return on investment, such as facilitating job creation and economic stability in Northern Ontario communities (*Industry Canada* 2014), and strengthened capacity for community development (*Western Economic Diversification Canada* 2014).

Why is CED Important?

A persistent challenge in the realization of CED is securing the financial means with which to pursue projects and initiatives. CED ventures typically have to compete with other, often monopoly producers, which typically enjoy much larger scales of production, pay wages close to or below subsistence levels, and are often without goals beyond profit maximization (*CCPA* 2006: 2; Reimer et al. 2009: 2). By contrast, CED ventures tend to entail small-scale production, higher overhead costs, and are committed to paying employees higher wages (*CCPA* 2006: 2). As such, in order to prosper, CED ventures generally require some degree of government support. Comprehensive CED support relies on strong policy, legislated mandates, horizontal cooperation, and consistent multi-year core funding (Infanti 2003: 5). Given this context of enhanced need for support and/or subsidization, a strong case for why CED is important and worth pursuing, rather than other potential strategies of securing well-being, is necessary.

As outlined by Enns (2018), strong justifications for supporting a CED approach are embedded in the structure of capitalist development. First, capitalism tends towards increasing scale, with a constant drive for bigger institutions to produce more items at a lower cost. This leads to a concentration of production in the name of efficiency, giving certain locations jobs, resources, and wealth, while other communities are left without (Enns 2019: 2). Second, and relatedly, capitalist development tends to target and shift production to areas with low regulation

and low minimum wages, while maintaining ownership in financial hubs. This results in the siphoning of the benefits derived from local labour and resource development to other communities, creating distinct geographical patterns of wealth and disparity (Enns 2018: 2). CED articulates an alternative vision for development that seeks to reverse or resist these tendencies, by prioritizing the needs of communities left behind by the dominant mode of capitalist production.

A further justification lies in the historical trajectories of policy provisioning. As previously mentioned, historically, individuals in Canada who have found themselves on the losing end of the economic order have been able to turn to an array of supports to secure the basic necessities required to participate more meaningfully in social and economic life (Marshall 1950; Schedstereder 2009). Recent research has demonstrated that several core pillars of the Canadian welfare state have been subject to retrenchment over the past several decades (Olsen 2008; Habivov and Fan 2007; Lightman, Mitchell and Herd 2010; Gazso and McDaniel 2010). In the absence of these supports, individuals, and the communities they live in, suffering the ills of capitalist development are likely to be even further marginalized from participation. The specific contours of the expansion and subsequent withdrawal of the Canadian welfare state are given detailed consideration in Chapter 4, but for the purposes of contextualizing the theoretical perspectives structuring the core analysis of this study, it is important to underscore that welfare policy decline enhances the need for alternative strategies to secure well-being.

THE CONVERGENCE DEBATE

A contested area in the study of social policy is the question of convergence, or the tendency of traditionally national policies, governing everything from environmental regulation to income

redistribution, to grow more alike in structure, process, and performance across national boundaries over time (Drezner 2001: 53). Early convergence debates concerning policy provisioning espoused fairly optimistic predictions. Proponents of this view argued that as states became increasingly industrialized they would develop increasingly generous and comprehensive policy apparatuses, leading to a convergence towards generous, expansive welfare state provisioning (termed a ‘race to the top’) (Olsen 2008; Montanari 2001). Contemporary debates concerning policy convergence typically centre around the potential effects of globalization on state policy latitude. Proponents of the convergence hypothesis in the era of globalization argue that these effects will be negative, with states converging on decreased social spending and meagre welfare state provisioning, engaging in a ‘race to the bottom’ (Drezner 2001: 57).

Within a particular strain of convergence theory, the primary pressure imposed on states in their efforts to implement national policy is economic (Drezner 2001: 57). Specifically, per this argument, the “cluster of technological, economic, and political innovations that have drastically reduced the barriers to economic, political, and cultural exchange” known as globalization forces states to revoke long-standing social contracts that protect citizens from economic uncertainty and market failure in order to appease capital (Drezner 2001: 53; Bowles and Wagman 1997: 318). When trade and finance are able to move freely between borders, states will act to foster an environment conducive to investment and avert capital flight by, for example, lowering corporate taxation, loosening labour protections, and implementing lax regulatory standards. This has the net effect of constraining states’ ability to raise revenue to finance expansive welfare state protections (Drezner 2001: 59; Shinar 2013: 453).

This line of theoretical inquiry has been challenged on several grounds. For example, the convergence hypothesis, grounded in the pressures of globalization, assumes that states respond exclusively to pressure from capital and are able to ignore other constituencies, including voters and interest groups (Drezner 2001: 59; Montanari 2001: 472). This competing view, that “politics still matters”, is of particular interest in the context of this study (Navarro, Schmitt and Astudillo 2004: 187; see also Esping-Andersen 1996). Scholars point to the enduring saliency of voters, as reform typically requires electoral vindication, and support for welfare state policy remains high (Pierson 2002: 371). Pierson (2002) points to the concept of “stickiness” to explain why states retain their national policy character in the face of external pressures (p. 372). According to this perspective, established policies constrain states along certain difficult to reverse courses of political development (i.e. path dependencies), wherein institutional and organizational arrangements constrain reform (Huber and Stephens 2001: 28-30; Pierson 2002: 372).

Empirical evidence for the convergence hypothesis in the context of globalization has been mixed, with some studies finding empirical support of a ‘race to the bottom’, while others found little or no evidence of convergence between states. Studies supporting the convergence hypothesis include the finding that increases in international trade and economic openness has been associated with less government spending (Garrett and Mitchell 2001: 165; Brady and Lee 2014: 71; Busemeyer 2009: 479), as well as the finding that globalization negatively affects provisioning in social democratic regimes, and only marginally in liberal and conservative regimes (Kim and Zurlo 2009: 130). Empirical challenges to the convergence hypothesis include the finding that a wide variety of distinctive policy environments persist in different states (Esping-Andersen 1990); that between 1990 and 2000 there was no decline in social spending

and states retained important policy differences (Navarro et al. 2004: 222); and that in 1982 through 2003, globalization did not influence replacement rates, benefit lengths, nor employment protection in 20 OECD countries (Potrafke 2010: 545). Finally, some have argued that though there is some evidence of convergence, the link between convergence and globalization is not clearly established (Brady, Backfield and Seeleib-Kaiser 2005: 921). In the context of this ongoing debate, the present study proposes to assess the extent of convergence in two Canadian provinces, Manitoba and British Columbia. Examining convergence at the provincial level is important because, within the Canadian federated system, provinces retain relative policy autonomy, but do so within an overarching framework of national economic integration (Torjman 2005: 16).

POWER RESOURCES THEORY

If states are able to retain policy latitude, by which mechanisms do they develop and maintain the national character of their policy provisioning and/or pursue new policy frontiers autonomously? Of primary interest to the present study, is the extent to which the state, in this case provincial governments, can make a difference within their province by supporting CED through policy. Priorities and imperatives served by policy are largely set at the political level, and thus can be understood as an expression of the different values and goals of the political group with the power to develop and implement policy (Torjman 2005: 8). Canada, as a federated system, allows provinces relative freedom in setting their own policy agendas as they relate to economic and social well-being (Torjman 2005: 16). Under these conditions, the political parties governing at the provincial level who set policy priorities can have profound

effects on the communities under their purview. How they go about setting priorities depends on a specific constellation of power relations and institutional/organizational structures.

Power Resources Theory (PRT) first emerged in welfare state literature as a means of accounting for the differences in the overall quality and character of individual welfare regimes. PRT attempts to specify the political mechanism that accounts for the establishment of national differences in welfare state policy by focusing on the balance of power in a given state, or the relative levels of ‘power resources’ achieved by various groups in that context (Olsen 2002: 126; Olsen and O’Connor 1998: 6). Korpi (1998) defined power resources as, “the attributes (capacities or means) of actors (individuals or collectivities)” which allow them to exert their energies towards generating differential distributions of rewards (p. 42). Power resources can vary both quantitatively and qualitatively, as well as change in distribution over time (Korpi 1998: 45).

Under the asymmetrical organization of capitalism, the power resources tradition views the capitalist class as by far the most powerful actor (i.e. in possession of the most power resources) in society by virtue of its ownership and control of the means of production (Olsen and O’Connor 1998: 6). However, the balance of power can shift between capital and labour through institutional and organizational means, allowing the working class to collectively exert power resources to defend its interests and shape the formation of social policy (Olsen 2002: 126; Schmals, Luswig and Webster 2018: 115). The institutional mechanism by which labour can augment its power resources is to create or affiliate with a political party on the left (e.g. labour, socialist or social-democratic parties) and to mobilize its vast numbers in support of that party. In doing so, labour can influence the character and development of social and economic

policies, particularly if they are able to keep that party in power for a lengthy period (Olsen 2002: 126).

The Canadian political landscape comprises three major political parties with both a federal and provincial presence: the Progressive Conservative Party (PC), the Liberal Party, and the New Democratic Party (NDP). The PC party sits on the right-most extremity of the mainstream Canadian political spectrum, the Liberal Party occupies a centrist position characterized by a largely progressive cultural platform and a global monopoly capital-oriented economic platform, while the NDP might be classified as social-liberal, and have historically been the party most closely associated with working class and progressive social and economic priorities. According to PRT, community economic development goals would be best served by an NDP government, while a Liberal or PC government would be less likely to set supportive policy agendas. Chapter 4 will outline these policy agendas through the 1990 through 2010 timeframe of interest to this study and analyze them in the context of the theoretical basis described here.

Chapter 3: Methods

This project entails a close examination and comparison of the political and policy environments, and the community economic development-related outcomes, in two Canadian provinces over the course of a twenty-year period. This section will outline the methodological procedures undertaken in the two phases comprising the central analyses of this study. The first phase focuses on a qualitative comparative analysis of the political and historical contexts of the provinces under study, while the second phase entails a preliminary quantitative assessment of social and economic outcome measures. This section will begin by describing the importance of the comparative method to the study of social reality, before moving on to describing the process of secondary literature-based historical analysis, and of translating the goals and priorities of community economic development (CED) in to measurable social and economic outcome indicators.

THE COMPARATIVE METHOD

The comparative approach has long played an important role in the study of social reality, particularly within the political sociology tradition, as means of providing researchers with a method for examining empirical patterns, and for evaluating and interpreting cases within a given set of substantive and theoretical criteria (Ragin 2013: 1). Comparative research allows researchers to contextualize their findings across, for example, macro-social units such as states, historical periods, or political structures. In undertaking comparative analyses, researchers are better able to distinguish between developments and outcomes that are peculiar to a specific social unit and those that are the result of supranational trends and tendencies (Esping-Andersen

1990: 3; Olsen 2002:9). Within the comparative method, units of inquiry are often whole entities selected purposefully as they constitute instances of theoretically, culturally, or historically significant phenomena (Ragin 2011: 3). In the case of this study, Manitoba and British Columbia were selected for analysis.

Manitoba and British Columbia have been selected for the proposed study because, during the twenty-year period under study, they were governed by different political parties with different policy agendas. Further, each of the mainstream political parties represented in Manitoba (Progressive Conservatives and New Democrats) and British Columbia (New Democrats and Liberals) throughout this period enjoyed an extended rule (a minimum of 8 consecutive years of governance within the twenty-year period of interest between 1990 and 2010), allowing for significant opportunity to enact policy agendas. Further, political changeover occurred close in time in both provinces (1999 in Manitoba, 2001 in British Columbia). Per these criteria, Saskatchewan and Alberta were not selected for the proposed study. Saskatchewan was led by the provincial NDP from 1991 through 2006, when the centre-right Saskatchewan Party was elected, while Alberta was led by the provincial Progressive Conservatives for the entirety of the period under study. Throughout this period, both Saskatchewan and Alberta also benefited from oil and gas revenues, accruing significant income, employment, and resource tax benefits as a result. These selection criteria allow for a comparison of the impact of left-labour affiliated and global-capital affiliated political regimes on socioeconomic outcomes identified as important for democratic development by the CED framework.

Despite the similarities that render Manitoba and British Columbia appropriate for comparison, the two provinces occupy different positions within the Canadian federation, and are subject to different economic pressures. Manitoba is regarded as a “Have Not Province”, as it has

consistently been a recipient of Equalization payments from the federal government, in addition to the range of federal transfers that all provinces receive. These payments increase Manitoba's capacity beyond what it would be relying solely on provincial revenue. British Columbia has also received Equalization payments, but to a lesser extent, and on a more inconsistent basis through the 1990-2010 period of interest (Dahlby 2008: 5). In accounting for this interprovincial affluence difference, Phase 2 of the study compares trends in social and economic well-being, rather than absolute values.

PHASE 1: COMPARATIVE HISTORICAL-POLITICAL ANALYSIS

Phase 1 of the project entails a close examination and comparison of the politics and policy of each province throughout the time period under study, accomplished through secondary analysis of existing literature. Establishing and analyzing this context is an important feature of the Power Resources Approach, which draws researchers' attention to the political contexts of the areas under study, in particular, to electoral structures and histories, long-term political party saliencies, the distribution of power between groups, and policy legacies (Huber and Stephens 2001; Esping-Andersen 1990). These factors will be explored and analyzed according to both the convergence hypothesis and the Power Resources perspective in Chapter 4.

Specifically, Chapter 4 will begin with a brief overview of the national political/policy context of the study, with a discussion of Canadian welfare state historical development, before describing the political-electoral histories of Manitoba and British Columbia, as well as a detailed history of the CED-related contexts of the 1990 through 2010 period of interest. In order to do so, I draw on existing literature, including electoral reports, government studies, provincial histories, and journal articles. Per PRT, a comparative analysis of secondary historical literature

will reconstruct the underlying contending, cooperative, and compromising social forces and ideas that set the boundaries of policy viability in this Canadian case. This emergent understanding will direct our attention to relevant outcome variables, and enhance the explanatory validity of my comparative analysis of current outcomes.

The analyses presented in Chapter 4 seek to establish the following propositions: first, that the Canadian welfare state is in decline; second (and relatedly), that the erosion of the welfare state enhances the need for alternative development strategies like community economic development; third, that the distinctive contexts and political realities of Manitoba and British Columbia give rise to particular policy agendas through the period of interest to this study; and finally, that through the period of interest, the New Democratic Party in Manitoba implemented a policy agenda according to established CED goals and priorities, while the other governing parties either did not, or did to a substantially lesser extent.

PHASE 2: SOCIAL AND ECONOMIC OUTCOMES OF COMMUNITY ECONOMIC DEVELOPMENT

As outlined in previous sections, CED differs from the prevailing capitalist mode of development in several salient and important ways. CED is governed by specific and varied principles which give rise to a range of different goals. As an approach, it aims to improve economic well-being, but also social and environmental well-being. The effects of CED are thus less straightforward to measure using standard metrics (Jang et al. 2018: 2). In order to capture these varied effects, it is important to identify outcomes relevant to the stated goals and priorities of the CED framework. In the Canadian case, the Neechi principles are commonly cited. These

principles were developed by the Neechi Foods Worker Cooperative in Winnipeg, and formed the guiding principles of the Government of Manitoba Framework:

1. Use of Locally Produced Goods and Services
2. Production of Goods and Services for Local Use
3. Local Re-investment Of Profits
4. Long-term Employment of Local Residents
5. Local Skill Development
6. Local Decision-making
7. Public Health
8. Physical Environment
9. Neighbourhood Stability
10. Human Dignity
11. Support for Other CED Initiatives. (Neechi Commons n.d.)

The constraints of this study do not allow for full translation and accounting of all twelve of these principles; therefore, the initial framework for analysis identified five measurable areas to explore: poverty reduction, homelessness, economic democracy, environmental sustainability, and employment. In order to be appropriate for inclusion in the analysis, data had to be grounded in one of these five CED-relevant categories, cover the 1990 through 2010 timeframe (or minimally, have several data points on either side of the political changeover years), and be collected in both Manitoba and British Columbia.

During the data identification phase, it became quickly apparent that while there was a wealth of existing data concerning the areas identified, the inclusion criteria reduced the amount of useable data substantially. The remaining data, which is to say, data that had the geographic and temporal coverage, as well as CED salience, was therefore more usefully categorized into two broad areas: economic indicators and social indicators. Due to the constraints of the inclusion criteria, most of the data described below were drawn from the CANSIM Statistics Canada database. The only exception are the data concerning core housing need and shelter-to-income ratio (STIR), which were collected from the Canada Mortgage and Housing Corporation

(CMHC) database. CMHC compiles the information in their database from the Statistics Canada Census Program. The challenge of finding suitable data will be further explored in Chapter 6.

DATA

The analyses presented in Chapter 5 entail a comparative examination of social and economic trends across a twenty-year period in Manitoba and British Columbia. This section will describe the indicators selected for study and their pertinence to the study of CED.

Economic Indicators

The economic indicators included for analysis incorporate the data identified in the areas of poverty reduction and employment. The economic indicators are: employment/unemployment rates, GINI, low income cut-offs (LICO), and income shares (bottom quintile, top quintile, and ratio of top quintile to bottom quintile). Employment/unemployment rates were selected for inclusion as the long-term employment of local residents is a central concern within the CED framework. In pursuing CED within communities, a key concern is the extent to which the members of that community are involved in not only decision-making processes, but are directly incorporated into the initiatives at stake, often in the form of employment. CED is posited as a means to create sustainable livelihoods for individuals and communities and to strengthen labour force attachments with the view of improving the economic and social well-being of all community members. Both employment and unemployment are considered, as the unemployment rate does not capture discouraged workers, and the employment rate includes those who do not want to work.

The LICO and the income share measures were included as they pertain to inequality, a key concern within the CED framework. For all measures, I report after-tax figures, as before-tax

income does not reflect the full redistributive impact of the Canadian tax/transfer system. Before-tax income represents the sum of income from various sources, including employment (including self-employment), income garnered via investments, retirement income, and income from government transfer programs (e.g. sickness insurance, parental insurance, etc.), while after-tax income represents before-tax income with income taxes deducted (*Vibrant Communities Canada*, n.d.). LICO lines indicate a threshold of income below which a family is likely to spend significantly more of its income on necessities such as food, shelter, and clothing than the average family. Specifically, the threshold is determined to be the point at which families are expected to spend 20 percent more than the average family on food, shelter, and clothing. Statistics Canada also measures poverty using the low-income measure (LIM), and the market basket measure (MBM), however, the LICO was selected as it is the longest running, and most commonly employed indicator in Canada (Zhang 2010).

Both GINI and the income share ratio are included as measures of inequality. The GINI coefficient is a number between zero and one that reflects the relative degree of inequality in the distribution of income. A GINI coefficient of zero would indicate perfect equality, with each family receiving the exact same income, while a coefficient of one would indicate complete inequality, with one family receiving all the income and the rest receiving none (Olsen 2011: 69). Income shares are calculated by ordering all income earners from lowest income to highest, and then dividing them in to groups of equal size. In the case of this study, income earners were divided in to quintiles (or groups of 20%). In a society with perfect income equality, each quintile would earn 20% of all income. The ratio between the top 20% of earners and the bottom 20% of earners reflects the extent of income inequality between the richest and the poorest segments of the provincial population.

Social Indicators

The social indicators selected for inclusion are: unionization, life expectancy, core housing need and shelter-to-income ratio. Unionization is included as a measure of social well-being, as unionized jobs tend to be of higher quality, with workers enjoying more say in their working conditions (Olsen 1992). Given the role that provinces play in governing labour relations, unionization rates reflect the commitment of the provincial government towards quality working conditions. Life expectancy is also included, which has increased on aggregate throughout the Global North over time; however, the rate at which it increases (or in the case of some U.S. populations, decreases (see: Case and Deaton 2015)) is a widely-used measure of well-being (Chernomas and Hudson 2013).

Core housing need and shelter-to-income ratio (STIR) both pertain to the living conditions of individuals. A household is said to be in core housing need if its housing falls below at least one of three standards (adequacy, affordability, or suitability), and would have to pay 30% or more of its total before-tax income to pay the median rent of suitable alternative local housing. “Adequacy” is determined by the overall state of the dwelling (i.e. not requiring any major repairs). A dwelling is “affordable” if it costs less than 30% of before-tax household income. Finally, a dwelling is deemed “suitable” if it has a sufficient number of bedrooms to meet the needs of the household. STIR is also included as a measure of housing precarity, and measures the proportion of before-tax income spent on shelter costs.

As outlined previously, part of the distinctiveness of CED as an approach is that it targets a wide range of social, economic, and environmental issues, which means that a full account of its effects requires a wide range of data for analysis. Given the geographic, temporal, and suitability constraints of this project, a key methodological concern is the extent to which the

data available allows for a useful assessment of CED outcomes. In the absence of quantitative data concerning, for example, environmental outcomes, Phase 1 of the project serves as a means to enhance the explanatory validity of the comparative analysis of outcomes in Phase 2.

Following the Power Resources Theory tradition, these comparative historical-political analyses allow me to reconstruct the underlying social forces and political constraints within which the provinces (and the political parties leading them) make decisions concerning the development and implementation of social and economic policy. This approach could prove useful for similar analyses outside of these two provinces, for example throughout Canada or, given the overarching context of economic integration, between countries in the European Union. The outcome assessment provided in forthcoming chapters is preliminary, and does not test for statistical significance. In order to bolster the argument that state orientation remains an important explanatory variable, more sophisticated quantitative methodology is an important direction for future research.

To conclude, the analyses presented below entail a comparative study which captures inclusive socio-economic development in Manitoba and British Columbia by observing the differences and regularities between their political and policy-related histories, as well as on well-being measures across regions and time. The analyses presented in the forthcoming chapters occurs in two phases. Phase 1 comprises a comparative analysis of secondary historical literature, covering three main areas: the expansion and subsequent decline of the Canadian welfare state, the political-electoral histories of Manitoba and British Columbia, and finally the political and policy-related histories of these provinces through the 1990 to 2010 period of interest. Phase 2 compares the fine impact differences between political parties of various orientations on the following social and economic outcome indicators:

employment/unemployment rates, GINI, low income cut-offs (LICO), income shares, unionization, life expectancy, core housing need and shelter-to-income ratio. These two phases will then be considered together in the discussion in Chapter 6.

Chapter 4: Canadian Welfare State Decline and Provincial Politics and Policy

The purpose of this chapter is to analyze the historical, political, and policy-related context to set the stage for the outcome analyses in Chapter 5. This context is necessary in order to establish the following propositions: first, that the Canadian welfare state is in decline; second (and relatedly), that the erosion of the welfare state enhances the need for alternative development strategies like community economic development; third, that the distinctive contexts and political realities of Manitoba and British Columbia give rise to particular policy agendas through the period of interest to this study; and finally, that through the period of interest, the New Democratic Party in Manitoba implemented a policy agenda according to established CED goals and priorities, while the other governing parties either did not, or did to a substantially lesser extent. This final proposition is key to the outcomes assessed in Chapter 5, and to establishing that a supportive policy environment makes a difference. This chapter will begin with a brief history of the Canadian welfare state, before moving on to describe the relevant historical and political contexts of Manitoba and British Columbia through the period of interest of this study.

A BRIEF HISTORY OF THE CANADIAN WELFARE STATE

Community economic development is articulated as a response to a perceived loss of control over the national and international economic systems that shape local areas and constrain the horizons of community development and well-being (Hernandez 2013: 7). It is no coincidence that CED as a movement gained momentum in Anglo countries in 1980s, alongside an economic landscape characterized by the proliferation of Free Trade agreements, privatization, and welfare state decline (Hernandez 2013: 7). Before delving in to the particular policy and political

histories of Manitoba and British Columbia, I will briefly outline the development of redistributive policy in Canada, in order to contextualize the macro-level economic conditions, as well as the ideological milieus in which provincial policy agendas are set. This discussion will thus set the stage for the provincial level analyses to follow, as well as underscore how a welfare state characterized by meagre provisioning enhances the need for alternative development and policy to ensure individual and community well-being.

Gøsta Esping-Andersen's (1990) welfare state typology outlined three ideal types of welfare states according to their established patterns of policy provisioning: Liberal, Conservative, and Social Democratic. Liberal welfare states are characterized by meagre support, with policies that provide limited redistribution and are typically targeted and means-tested (Olsen 2002:73). Conservative welfare states are rooted in classical conservative notions of hierarchy and status-maintenance, and thus social entitlements tend to be financed by individual economic contributions, which serve to preserve hierarchies of class (Olsen 2002:77). Finally, the Social Democratic welfare regimes represent the most fully-developed welfare models, characterized by more generous transfers, universal/citizenship entitlements, and a greater commitment to fostering equality (Olsen 2011: 75). While Canada is characterized as a liberal welfare state, there has been some argument that it could be conceptualized as a "social-liberal" welfare state. This argument emerges most often when Canada is compared with the United States, the quintessential liberal welfare state (Olsen 2002: 37-38). While Canada does enjoy more universal entitlements (most notably universal health care), and more generous transfers than the U.S., a close examination of the developmental trajectory of social provisioning in Canada reveals that Canada has never fully attained a social democratic policy model, and has in fact been retreating from that standard for decades (Habibov and Fan 2007: 21).

In the early days of Canadian history caring for the poor was traditionally the responsibility of the Church (Nielsen 1986). The Social Gospel movement (strongly influenced by American and British examples) surfaced in Canada in the 1890s, as an attempt to apply Christian religious teachings to the economic and social problems of the day (Guest 1997: 33). As the churches' social welfare activities expanded, they set up departments of social services through which to run their programs of social reform and community action (Guest 1997: 34). A patchwork of informal social supports cropped up through the early 1900s, including voluntary agencies like Children's Aids Societies, fraternal orders and hospital boards, which addressed the needs of the poor and sick in Upper Canada, while Elizabethan Poor laws in the Maritimes rendered dealing with the poor the responsibility to local authorities. Towards the end of World War I, the first provincial measures to aid the poor were introduced in Manitoba and British Columbia, in the form of 'mothers' allowances' (Nielsen 1986).

The federal government did not recognize any responsibility towards the poor at a policy level until 1927 when the Old Age Pension Act was passed, providing a fifty percent federal contribution to existing provincial plans (Nielsen 1986). Three years later when the Great Depression struck and provinces and local municipalities could no longer cope with the cost of poor relief, the federal government intervened. Each year from 1930 to 1939 the federal government passed relief acts that allowed them to make payments to provinces to help keep struggling communities afloat (Nielsen 1986). Although employment fell initially under the jurisdiction of the provinces, an amendment to the Constitution allowed the federal government to enact a national Unemployment Insurance program in 1940 (Guest 1997: 105).

The 1940 program was in place until rising unemployment rates in the 1950s put pressure on the federal government to provide additional relief to those who had exhausted their

unemployment insurance benefits (Nielsen 1986). To that end, in 1956 the Unemployment Assistance Act was passed, whereby “provinces with agreements were reimbursed for half their expenditures on assistance to needy unemployed people, with no ceiling on individual benefits or federal expenditures” (Nielsen 1986). There were several notable provisions embedded in the Act: first, a needs test was established which assessed the applicants’ budgetary needs, income and assets, with the view of providing appropriate aid to fill the gaps; second, the concept of residence was altered to mean residence in Canada, rather than residence in any given province (Nielsen 1986). As noted by the Nielsen Task Force report (1986), this program was more comprehensive, flexible and open-ended than its predecessors, and incentivized provinces to be more generous. By the end of the 1950s, every province had signed on.

Canadian social policy in the 1960s was characterized by rapid expansion of programs, culminating in the 1966 implementation of the Canada Assistance Plan (CAP), perhaps the most progressive social assistance legislation in the country’s history (Lightman, Mitchell and Herd 2010: 524). CAP established a cost-sharing arrangement between the federal and provincial governments, with each bearing fifty percent of the cost of social programs (Habibov and Fan 2007: 4). It specified that entitlement to benefits was to be based entirely on a determination of need with no qualifications or conditions attached (including a prohibition on minimum residency requirements). The nationally established standards that based eligibility strictly on the basis of need prohibited the provinces from implementing other conflicting requirements, and ensured that any programs stipulating that beneficiaries work in exchange for welfare were ineligible for federal financial support (Lightman, Mitchell and Herd 2010: 524). CAP was only one of several major new or expanded federal social policies enacted during the 1960s. From 1964 to 1966 there were significant expansions to Youth Allowances (1964), while the

introduction of the Canada Pension Plan (1965), Guaranteed Income Supplement (1966) and the Medical Care Insurance Plan (1966) greatly strengthened the social safety net (Nielsen 1986). Alongside generous unemployment insurance with liberal eligibility requirements (96 percent of the unemployed were entitled to benefits in 1971) and a wide range of universal programs, these policy innovations pushed Canada towards a universalistic social policy model (Finkel 2006; Habibov and Fan 2007: 4). During this period, the first generation of cross-national studies began to suggest that convergence among advanced capitalist nations' policy regimes was inevitable. Between the 1950s and 1970s studies routinely suggested that economic growth, industrialization, and modernization would invariably result in a cross-national 'race to the top', characterized by lower levels of poverty, greater income equality, and the establishment of generous, comprehensive welfare regimes (Olsen 2008: 324).

The optimistic predictions of convergence were subsequently challenged by research that indicated striking variation across nations in the advanced capitalist world. Over time, it became increasingly evident that a variety of domestic contextual factors such as the strength of labour movements, state structure, policy legacies, partisan politics, and dominant cultural traditions played a role in determining the overall character of individual welfare states (Esping-Anderson 1996; Olsen 2008). Despite policy proliferation in the 1960s that suggested Canada was taking part in the so-called 'race to the top', in the ensuing decades this proved not to be the case. The Canada Assistance Plan was never fully embraced by the federal bureaucracy, in part because the even cost-sharing arrangement placed no upper limit on the federal government's potential financial liability (Lightman, Mitchell and Herd 2010: 524). Further, CAP led to push back from provincial governments who viewed the plan as restricting their political autonomy (Baker 1997: 2). Post-war optimism gave way to a 'crisis orientation' to the welfare state from the mid 1970s

through the 90s, grounded in the pretext of concerns over the growing federal and provincial deficits (Gazso and McDaniel 2010: 17). Increased spending associated with social programs, the costs of a high unemployment rate, reduced revenues from slower productivity growth, reduced corporate taxes, and growing resistance to income tax increases were all identified as factors contributing to the federal deficit (Gaszo and McDaniel, 2010: 17).

As the political climate changed through the 1970s and 80s, social programs in Canada were reduced and/or reframed by both Conservative and Liberal federal governments attempting to establish a leaner welfare state (Lightman, Mitchell and Herd 2010: 524). Programs were redesigned with an emphasis on improving the attitudes and motivation of the unemployed. This translated into incremental policy changes that introduced ever-stricter conditions to accessing services. Benefits became increasingly divorced from the post-war commitment to needs-based determinations, and more and more contingent upon job search activities and/or a demonstrated willingness to improve employability (Lightman, Mitchell and Herd 2010: 523). The role of the state as a mechanism through which social policy could protect against market failures was supplanted by an understanding of the state as a mechanism through which markets could be expanded (Gazso and McDaniel 2010: 18). During this decade, the question of advanced capitalist welfare regime convergence reemerged in social policy research. Contrary to the optimistic debates earlier in the century, studies began to declare that welfare regimes across the Global North had entered a 'race to the bottom' (Olsen 2008: 324). States responding to unremitting domestic economic pressures and constraints, it was argued, no longer possessed the ability to continue to finance costly social programs, which would ultimately lead to disequilibrium, crisis, and retrenchment (Olsen 2008: 324).

By 1995, the Canadian federal government had been running a deficit for 25 consecutive years, with a net debt-to-GDP ratio reaching 71 percent in that year (Gauthier 2012: 8). While unremarkable, these deficits provided pretext for implementing drastic social policy reform, guided by neoliberalism and its attendant ideals of individual responsibility, free market democracy, and a reduced role for the state (Harvey 2005: 2). One particularly salient example of the effects of these rollbacks was employment insurance. While nearly all unemployed workers were eligible for benefits in 1971, only 41 percent of unemployed workers met the requirements to claim benefits by the 1990s (Finkel 2006). Social spending was restrained and cut back through the introduction of social security based on deregulation, tougher eligibility rules, more specific targeting, and active labour policy (Habibov and Fan 2007: 5). This shift culminated in the replacement of the Canada Assistance Plan in 1996 by the Canadian Health and Social Transfer (CHST), which has been dubbed a ‘watershed’ moment in the history of social policy (Battle and Torjman 1995: 2). The CHST replaced the federal-provincial cost-sharing arrangement with block grants that drastically reduced the amount of funding each province could commit to social programming. Lightman, Mitchell and Heard (2010) note that in the first year of CHST the provinces received 2.5 billion dollars (CAN) less than under CAP, followed by a further 2 billion less the following year (p. 524).

CHST also lacked the stipulations of CAP that prevented the provinces from conditioning benefits upon work, leading to a rapid roll out of ‘welfare-to-work’ programs across the country (Habibov and Fan 2007: 9). Before the reforms of the 1990s, an unemployed person with low-income could rely on the three legs of social security (unemployment insurance, social assistance, and family benefits), but by the end of the decade each of these pillars were drastically retrenched (Habibov and Fan 2007: 21). This pattern was certainly not confined to

Canada, as retrenchment and higher levels of inequality were also salient qualities of regimes across the Anglo world during this period (Olsen 2008: 324; *OECD* 2008). Social assistance programs across the Anglosphere were transformed to prioritize active responsibility for one's economic security and assert the primacy of labour market participation (Gazso and McDaniel 2010: 16).

Welfare state decline is of paramount concern to any scholarship dealing with social and economic inequality. Welfare state robustness plays an integral role in stabilizing social and economic relations by ensuring that everyone can fully enjoy their rights regardless of their attachment to the labour market (Schedstereder 2009). Thus, the rights conferred by robust social provisioning can be understood as constituting the conditions of democracy within economic systems like capitalism which tend to allocate rights on the basis of effective market power (Marshall 1950). Given the retreat of the Canadian welfare state from this standard, alternative means of ensuring the basic requirements of living and participating in civil and political life are vital. Community economic development represents an opportunity to restore and enhance the economic and social well-being of all individuals and their communities within the context of welfare state deprivation.

In understanding that welfare state deprivation enhances the need for alternative strategies to secure well-being, it is also important to understand that a return to a more robust version of the Canadian welfare state does not then necessarily obviate the need for CED. It is important to be clear about the limits of even the most expansive historical version of the Canadian welfare state. Welfare state policies in Canada have largely been confined to temporary income supports, which understand the role of the state as being limited to helping overcome periodic failures of the labour market (Sheldrick and Warkentin 2007: 5). While the Canadian

welfare state has differentiated itself from other Liberal welfare regimes in its commitment to universal health care, existing and historical policy structures have upheld a restrained understanding of the requirements of well-being. By contrast, CED offers an approach that aims to not only ameliorate the conditions of absolute economic and social marginalization, but also a positive vision for local development that is inclusive, democratic, community-led, and environmentally-sustainable. As such, we can understand welfare state deprivation as a driver of the search for alternatives such as CED, while simultaneously acknowledging its historical limitations.

POLITICS AND POLICY IN MANITOBA AND BRITISH COLUMBIA

For the purposes of this study, the discussion of CED-related policy and political histories of the provinces will be largely confined to the 1990-2010 timeframe of interest, but in both Manitoba and British Columbia, certain general political realities as well as specific political-electoral historical precedents are useful to consider. These political and historical issues are important to incorporate into the discussion alongside the theoretical context established in Chapter 2. Specifically, following the Power Resources approach, I will emphasize historical and political events pertaining to organizational and institutional power resources, and within the convergence theory debate, I will emphasize relevant consistencies as well as differences between the provinces historically and within the timeframe under study.

The Politics and Policies of Manitoba

According to Christopher Adams' (2008) account of the politics of Manitoba, the political-electoral landscape of the province can be understood as evolving in five distinct stages. The first, from 1870 to 1878, was an "embryonic formative system", wherein candidates running for

office typically aligned themselves, both during elections and while serving in the legislature, as being either “Government” or “Opposition” (Adams 2008: 1). During this early period of democratic development, elected representatives grouped themselves into informal factions before distinctive party politics took shape. The shift to the second stage in electoral development took place in the late 1870s and early 1880s, and was influenced by members of federal parties (chiefly the Liberal-Conservatives – a nascent form of the current Conservative Party) lending support to provincial political candidates. The 1878 and 1879 elections are typically held out as some of the first in which candidates ran along party lines, though identification as “Government” or “Opposition” remained common (Adams 2008: 2). Party identities became more discernable during the 1880s, when an early version of the Liberal Party (the “Grits”) appeared in the form of a loose coalition of Liberal and “Provincial Rights” candidates (Adams 2008: 2). Although formally in contention with the Conservatives through this period, both parties supported broadly similar political agendas characterized by promoting investment, transportation, settlement, agriculture, and trade (Adams 2008: 2-3).

While the Liberals and Conservatives jockeyed for control over the administrative levers of government, labour-based urban parties began to make inroads with the urban electorate. The political interests of urban and agrarian workers, and the parties like the United Farmers of Manitoba (later the Progressive Party) that formed to advance them, led to the third shift in Manitoban electoral history to a “quasi party system” which characterizes the proliferation (and subsequent demise) of multi-party politics in the period between 1922 and 1950 (Adams 2008: 3). By the 1940s, the competitive party system had all but disappeared, with parties merging (e.g. the labor-agrarian Progressive Party and the Liberal Party), and a strong wartime coalition government encompassing Liberal-Progressives, Conservatives, the Co-operative

Commonwealth Federation (the CCF, later NDP), and Social Credit (Adams 2003: 3).

Candidates running during war-time elections nominally maintained party affiliation, but were expected to declare support for the governing coalition (Adams 2008: 4).

Following the end of the Second World War, a fourth three party transitory stage in electoral politics began, with Conservatives, Liberals, and the CCF/NDP each in the legislative mix from 1958-1969 (Adams 2008: 4). The fifth and currently enduring iteration of electoral politics was ushered in by the 1969 election during which the NDP fell one short of securing enough seats to form a minority government (Adams 2008: 18). Following the election, the initial flurry of attempts at forming coalition governments was put to rest when St. Boniface Liberal MLA Larry Desjardins crossed the floor to lend support to the NDP (Adams 2008: 19). Adams (2008) describes the 1969 election as the catalyst for Manitoba's current "two and a half" party system, which marked the beginning of the long-term decline of Liberal Party relevance in Manitoba. Since that election, the Liberal Party has never formed a government, and has served only once as official opposition (1988 election). Since the 1969 election, the Conservatives have won five elections (including the most recent 2015 election), and governed for a total of 18 of the last 49 years. Meanwhile, the provincial NDP have played a commanding role in provincial politics over the past half-century, winning 8 elections, and governing for a total of 31 years. Due to their electoral success, some have dubbed the NDP Manitoba's "natural governing party" (Wiseman 2008: 2).

In applying a Power Resources lens to the political history described thus far, there are several key features of Manitoba's political-electoral history that are worth emphasizing. First, the presence and relative success of labor-inclined political parties, the provincial NDP in particular. As outlined in Chapter 2, the institutional mechanism by which labour can augment its

power resources is to affiliate itself with a political party on the left (e.g. labour, socialist or social-democratic parties) and to mobilize its vast numbers in support of that party (Olsen 2002: 126). The provincial NDP's consistently strong electoral showing from 1969 onwards quite clearly reflects a key opportunity for power resource enhancement. Alongside the strong electoral showing of the province's most social-democratically inclined party, it is also worth mentioning the non-electoral-political strength of the left and indigenous movements in the province throughout its history. More than any other province, Manitoba's founding is particularly notable for occurring as a result of indigenous (specifically, Métis) resistance under Louis Riel's provisional government (McLachlin 2011). Further, in the annals of labour history, the 1919 Winnipeg Strike retains historic status as the largest labour strike in Canadian history (Gutkin and Gutkin 1997). While a full accounting of the labour and indigenous movement history of Manitoba is beyond the scope of this project, suffice it to say that these two forms of resistance have long been salient features of the province's history (Sheldrick and Warkentin 2007: 2).

Turning to the timeframe of specific analytical interest to the present study, the relevant provincial Progressive Conservative (PC) tenure in the province begins with the 1988 election, which brought Gary Filmon's party to power with a minority government (Grafton 2011: 38). Notable also in the 1988 election, was a relatively robust Liberal Party showing, securing enough seats to form the official opposition for the first (and only) time since the 1960s. The Liberal resurgence proved brief, however, as the NDP under Gary Doer regained opposition status in the 1990 election while the PCs secured a majority (Grafton 2011: 38). During this era, the PC government pursued budgetary and policy priorities that were fairly standard fare for a conservative party, despite Filmon's effort to differentiate his government from the

“neoconservative ideologues” of the party’s recent past (Grafton 2011: 38; Adams 2008: 49). During this period, the PC government embraced the ascendant neoliberal mode of governance characterized by small government, reduced spending, and the removal of trade union rights (Black and Silver 2012: 3). Budget deficits resulting from a national recession in the early 1990s provided ample pretext for the PC government to introduce spending cuts on health care, post-secondary education, social welfare, and housing (Black and Silver 2012: 3). Following the replacement of CAP and its strict rules concerning eligibility requirements, Filmon’s PC government also introduced welfare-to-work policies (Habibov and Fan 2007: 9). According to Black and Silver (2012), the Filmon PC government’s legacy was threefold: “a much diminished public sector; a dramatic increase in severe poverty and related problems; and a weakened economy” (p. 3).

As outlined above, the 1990s were clearly a decade characterized by meagre state support for CED in Manitoba. There was little community involvement or consultation, policies and programs were imposed on communities in a top-down manner, and the inner city was largely left to languish (Enns 2018: 16; Charron 2011: 4). However, the lack of state support proved somewhat galvanizing for the CED community, pushing organizations and activists towards a more coherent vision for development articulated in resistance to the PC agenda (Sheldrick and Warkentin 2007.: 2). The failure of the state to adequately address the needs of marginalized communities propelled the development of a small but diverse and dedicated CED sector cobbled together from various organizations with anti-poverty mandates (Enns 2018: 16). Despite the lack of state support, organizations in the province continued to incubate CED-related ideas and projects. The 1999 election of the provincial NDP brought these ideas and projects to the fore.

With the election of the provincial NDP under Gary Doer's leadership in 1999, many anticipated that CED and support for public organizations would become a higher priority to the government (Sheldrick and Warkentin 2007: 2). Indeed, shortly after their election, the NDP set about establishing a comprehensive supportive policy framework, based on a vision of CED as "a community-led process that combines social, economic, and environmental goals to build healthy and economically viable communities" (Bernas and Reimer 2012: 285-6; Amyot et al. 2012: 145). The centerpiece of the NDP commitment to CED was the implementation of the Community Economic Development Lens, which served as a coherent policy structure with which to introduce CED priorities into initiatives across all government programs and departments (Sheldrick and Warkentin 2007: 2). The NDP also formed the Community and Economic Development Committee of Cabinet (CEDC) to oversee the CED framework and ensure its implementation through the government (Tremblay 2012: 67). The CEDC in turn created a working group, made up of members of each government department, whose responsibilities included contributing to their respective department's learning about CED, and helping to identify opportunities to incorporate CED priorities into their programming (Charron 2010: 6).

Particularly notable through the NDP tenure was the recruitment of prominent local community activists to serve in key position within the government (Charron 2010: 5). For example, the ministers of Finance, Family Services, Housing and Intergovernmental Affairs were each appointed from within the CED community, and many of their aides and advisors were drawn from the community sector as well (Loewen 2004: 28). Loxley and Simpson (2007) attribute the inception of many keystone CED initiatives to Shauna MacKinnon, who was selected to manage the CED file within the CEDC (p. 36). MacKinnon was an alumna of

Choices, a coalition of social groups that resisted the policies of the Filmon PC government through the 1990s (Charron 2010: 5). With several former CED community activists serving within the government and advocating for CED goals and priorities, these goals and priorities gained credibility and political saliency among formerly uninitiated government representatives (Loxley and Simpson 2007: 35-36). The appointment of CED activists to the nexus of provincial power also ensured that ties between the government and the community were maintained, allowing for community consultation on new policies and projects (Charron 2010: 6).

Some positive effects of the NDP's efforts to explicitly incorporate a CED approach to all government departments and initiatives included increased awareness of the CED approach and consistent messaging regarding its support throughout the government, a formal mechanism by which to develop CED-related policy, and the proliferation of policies and initiatives "promoting education, training, and enterprise development for marginalized individuals and [CED-supportive undertakings] in a number of different sectors" (Bernas and Reimer 2012: 293).

Among these are the **Aboriginal Procurement Initiative**, which tasks government departments with increasing the number of indigenous-owned businesses providing goods and services to the province; the **Winnipeg Partnership Agreement**, which provided funds to promote long-term sustainable community and economic development in the City of Winnipeg; the **Community Enterprise Development Tax Credit** which was created to encourage Manitobans to invest in local community-based enterprises and cooperatives; and the **Cooperative Development Strategy** to support new and already-existing cooperatives operating in the province (Bernas and Reimer 2012: 293-294)¹. As a result of these and other policy initiatives, other provinces have

¹ For a detailed outline of specific policy and legislative initiatives in Manitoba, see Bernas and Reimer (2012), pp. 283-329.

looked to Manitoba as an example of a particularly promising CED environment, and an important proving ground of CED's potential (Reimer et al. 2009: 7).

However, many have pointed out that the expectations around the NDP's CED lens remain largely unrealized (Sheldrick and Warkentin 2007: 2; Enns 2018: 17). Despite the overarching framework that ostensibly applied to all departments, those not overly sympathetic to CED largely ignored the lens. Departments that were already most likely to engage in community consultation, such as Labour and Immigration and Aboriginal and Northern Affairs, did so, while departments concerned with traditional economics maintained a skeptical stance towards CED (Enns 2018: 17). Further, despite the permeability of the government to community activists, and the ties maintained by their appointment to cabinet positions, over time these relationships diminished, with CED development increasingly internalized and lacking a formal mechanism for community engagement (Amyot et al. 2012: 145; Enns 2018: 17). Despite the NDP's stated commitment to CED, Sheldrick and Warkentin (2007) argue that Doer's government remained sympathetic to the private sector, depending on a careful engagement in brokerage politics to appease business (p. 3). While the NDP's engagement with CED throughout their tenure fell short of many aspirations, the health and viability of provincial CED vastly outstripped its condition under the PC government of the 1990s, and while dimmed, the Manitoba policy environment through this period remains a source of inspiration for a desirable policy environment (Reimer et al. 2009: 7).

The Politics and Policies of British Columbia

The early political-electoral history of British Columbia closely resembles that of Manitoba, characterized by what Blake (1996) refers to as a "pre-party" system (p. 68). In elections that

occurred before 1903, lines were drawn between “Government” supporters, clustered in support around the Premier, and the “Opposition”, grouped around one or more Opposition leaders. Candidates declared themselves as falling into either of these two camps, or as “Independents” (*Elections British Columbia* 1988: 6). Even these informal groupings were relatively unstable. Since there was no formal mechanism for selecting candidates, it was not uncommon for Government (or Opposition) candidates to run against another similarly aligned candidate. Further, once elected, candidates’ positions were not always clear and consistent, sometimes changing allegiance during their tenure in Parliament (*Elections British Columbia* 1988: 6). Alliances shifted frequently according to the issues at stake. There were some candidates in these early elections who identified as “Labour” or “Socialist”, but these remained few and far between (*Elections British Columbia* 1988: 6).

The first provincial election fought along party lines was the 1903 election, with candidates identifying according to established federal parties (i.e. Conservative and Liberal). Blake (1996) charts this election as the first of the “traditional two party system”, persisting from 1903-1933. Prior to the 1930s, it is difficult to be precise in assigning party labels to individual candidates, as parties remained relatively loose associations, and many short-lived local and/or single interest groups muddy the waters even further (*Elections British Columbia* 1988: 6). However, the two most salient party affiliations through this period, Liberal and Conservative, were the primary groups contending for power. As noted by (Blake 1996), the differences between these two parties at the time amounted to little more than the distinction of being in or out of office (p. 69). Socialist and Labour parties remained weak through this period, receiving a combined average of about 12 percent of the electorate’s support.

The Great Depression brought about a third evolution in BC's electoral politics, with the CCF entering the 1933 election campaign promising radical reform and socialization of the province's resource industries (Blake 1996: 70; Naylor 2013). The party was able to secure enough seats to serve as the official opposition. Despite falling to third place in the following election, the CCF succeeded in bringing about a brief three party era. However, following a substantial decline in Liberal support in the 1941 election, a nearly dead heat result, compounded by the realities of war-time government, led to the formation of a coalition between the Liberals and the Conservatives (Blake 1996: 70). From that election through until the 1952 election, the CCF served as the official opposition, despite overtures from the Liberal-Conservative coalition to join and form an all-party coalition (Blake 1996: 71).

Leading up to the 1952 election, the coalition began to weaken, with the Liberal party becoming convinced it could win an election without the help of the Conservative party (Blake 1996: 71). In order to ensure that the CCF would retain third party status in the upcoming election, the coalition partners introduced a ranking-ballot system, wherein voters would rank candidates in order of preference. The coalition reasoned that Liberals and Conservatives would retain most seats, while the CCF would win only those ridings in which it had a majority on the first count (Blake 1996: 71). However, these assumptions backfired, with the Liberals finishing third in the seat-count, and the Conservatives fourth. The leaderless Social Credit Party won the seat-count by a narrow margin, while the CCF finished second. Following their victory, the right-aligned Social Credit Party elected William Bennett, a former Conservative MLA and longtime advocate of a permanent coalition to contain the left, party leader and premier (Blake 1996: 71).

The 1952 election ushered in an era of political polarization in British Columbia, with Bennett espousing a “free enterprise versus socialism” doctrine to discredit the CCF and discourage support for the Liberal and Conservative parties. Presenting the Social Credit Party as a bulwark against creeping socialism proved remarkably successful, with the Social Credit Party maintaining at least 60 percent of the seats in the legislature from 1952 through their defeat by the NDP in the 1972 election (Blake, Carty and Erickson, 1989; Blake 2009: 72). The 1972 election brought about a major realignment in provincial politics, with the Conservatives and Liberals largely shut out for the following 15 years (Blake 1996: 72). The NDP’s tenure lasted a single election cycle, with the Social Credit Party returning to power in 1975, and remaining the governing party until shaky leadership, recurring scandals, and a loss of credibility among voters resulted in a disappointing third place finish in the 1991 election (Blake 1996: 72, 75). The election delivered a NDP government, with a reinvigorated Liberal Party serving as official opposition (Blake 1996: 76).

Before turning to the timeframe of primary interest to the outcome analyses of this study, it is worth again returning to the theoretical framework of Power Resources Theory. Examining the political-electoral trajectory of British Columbia within the PRT tradition raises a few salient issues. Concerning the ability of the working class to enhance their power resources via institutional means, BCs electoral trajectory notably lacks a successful left-leaning party with which to align. On the contrary, BCs most commanding political presence for the bulk of the latter half of the 20th century was the right-wing Social Credit Party. The party enjoyed decades of political and electoral near-supremacy, and was able to implement a policy agenda characterized by eliminating several social programs, shrinking public sector bargaining rights, reducing housing protections, and privatizing government assets (Blake et al. 1989: 6; Hak 2013:

149). Further, Social Credit's anti-labour stance meant that a key element of the left, unions, entered a period of distress as labour protections were whittled away through the 1980s (Hak 2013: 147). This is not to say that the left in BC has not been a consistent presence throughout the province's history. Throughout the Social Credit reign, the NDP served as official opposition, and maintained enough political strength and saliency to remain the prime target of the Social Credit Party's 'free enterprise vs. socialism' rhetoric (Blake et al. 1989: 6). Labour coalitions such as Solidarity, active in the early 1980s, continued to organize, even in the face of reduced protections, and environmentalist and indigenous groups also made their presence known in the political arena (Hak 2013: 159). Overall, however, given the Social Credit Party's electoral success, and their assault on labour protections, the power resources of BC's working class were stunted leading up to the period of interest to this study.

The Social Credit Party, the main vehicle of the BC rightwing, fell in the 1991 election to the provincial NDP led by Mike Harcourt, former mayor of Vancouver (Hak 2013: 171). The party led the province until 2001, having been reelected in the 1996 election under Glen Clark. From its outset, the new NDP government had to contend with the deeply polarized nature of provincial BC politics (Cohen 1994: 149). Immediately following the election, the NDP was open and encouraging of community input to governance, with some social movement leaders even taking up positions within the government, clearly presenting an opportunity to pursue CED strategies (Carroll and Ratner 2007: 52; Carroll and Ratner 2005: 187). Social movement influence quickly declined, however, as new-found representation led to competition between various social movements trying to access government funding, and the appointment of activists to government positions deprived community movements of strong leadership (Carroll and Ratner 2007: 49). The NDP government also launched major initiatives to include private sector

business within its policy ambit, which alienated the social movements it initially sought to include (Carroll and Ratner 2005: 182).

Through the 1990s, the NDP “did not significantly narrow the gap between the rich and the poor” (Carroll and Ratner 2007: 41). Overall, the party offered a restrained and relatively moderate social democratic vision for the province, wherein it tried to foster a positive business climate and limit government spending, while also attempting to defend a role for the state and the merits of social programs (Hak 2013: 171). The NDP also faced challenges from labour unions in implementing CED-related sustainable development programs, which alienated the environmentalist movements in the province (Cohen 1994: 153) There were some significant gains under the provincial NDP during this time that are worth noting, including establishing the highest minimum wage in the country at the time, and the introduction of a new labour code, which reversed many of the retrograde labour policies leftover from the Social Credit reign, and made it easier for unions to organize (Carroll and Ratner 2005: 186). Despite these gains, the NDP was defeated in the 2001 election, with the Liberal Party gaining power for the first time since the war-time coalition government (Hak 2013: 176).

Upon their election in 2001, the provincial Liberal Party led by Gordon Campbell instituted a sweeping set of neoliberal labour and social policy reforms (McBride and McNutt 2007: 177). Campbell’s government cut personal income tax by 25%, implemented \$700 million in tax cuts for businesses, downsized government programs, and set about targeting workers in the public sector, where union density was highest (Hurl 2009: 141; McBride and McNutt 2007: 187; Cohen and Klein 2011: 60; Hak 2013: 178). The Liberals also maintained the minimum wage established by the NDP throughout the 2000s (and also introduced a tiered, \$6.00 wage for “newcomers” to the labour market), so that by 2011 the province had gone from having the

highest minimum wage in the country, to the lowest (Cohen and Klein 2011: 69). Social assistance in the province also took a hit, with welfare becoming increasingly punitive, restrictive, and difficult to navigate (Cohen and Klein 2011: 70). During this era, the governments stated objectives and macroeconomic policy agenda centered around supplying a provincial environment conducive to business and investment. These endeavours led to “a disproportionate emphasis on ensuring optimal conditions for capital, while ignoring the state role in citizen’s well-being and economic security” (McBride and McNutt 2007: 189).

Provincial Convergence?

Before moving on to the outcome analyses, it is important to return to the question of convergence vs. divergence in policy between these two provinces, by considering some of the areas of consistency as well as areas of difference. The two provinces share several features of interest, both through their political-electoral histories and through the 1990 through 2010 timeframe. The evolution of the provinces’ electoral system share similar trajectories, moving from a partyless system, through a war-time coalition, to a largely two-party dominated system through the latter half of the 20th century. In both provinces, the party system was dominated by one left-leaning social democratic party (the NDP) and one rightwing party (the Progressive Conservatives in Manitoba and the Social Credit Party in British Columbia). During the 1990-2010 timeframe, both provinces were led by the NDP for a significant timeframe (the 1990s in BC and 2000s in Manitoba). Both of these governments sought to incorporate community activists into the business of governance, encouraging consultation and appointing community leaders to key positions. In doing so, both governments also struggled with maintaining ties to communities, as consultation decreased and policy implementation became more insular and inaccessible. Both governments also engaged in brokerage politics, which sought to appease

private sector business alongside their efforts to encourage social democratic policy and reform. While the provinces were led by different parties outside of NDP tenure, both the Manitoba PCs and the BC Liberals pursued policy agendas contrary to the goals and priorities of community economic development throughout their time in power. Both provinces also experienced both labour and indigenous organization and resistance.

The provinces also diverged in several key ways through their histories and through the period of interest to this study. Of primary interest, is the difference between the political parties that enjoyed the longest tenures leading the government. Per PRT, the presence and electoral maintenance of left-aligned political parties is a vital way to influence policy development. In Manitoba, the NDP led the government for a significant portion of the latter half of the 19th century. This political incumbency created an environment in which progressive policy could be developed and implemented, and left-aligned community organizations could influence the direction of development. By contrast, the rightwing Social Credit Party was utterly dominant from the 1952 election until the 1990s, with only 3 years of interrupted NDP rule. Over this period, the party was able to implement a range of regressive social and economic policies, and stoke intense political polarization between ‘free enterprise’ and ‘socialism’. This constrained the ability of the NDP to implement a progressive agenda when they took power in 1991.

This is not to say that the Manitoba NDP’s agenda brought about drastic social democratic reform. The NDP government in Manitoba has rightly been criticized for their failure to follow through on the CED framework they implemented. However, the Manitoba NDP did go further than any other political party in either province in prioritizing CED, and establishing a comprehensive (though imperfect) framework with which to do so, and that difference is salient in the context of this study. These similarities and differences are important to consider in the

context of this study because political histories shape and constrain the realm of what is possible in any given policy context (Huber and Stevens 2001). While the provinces converged in many ways, the policy constellations related to community economic development in these provinces retain significant variation. The forthcoming analyses seek to assess whether this policy divergence also led to divergence in social and economic outcomes.

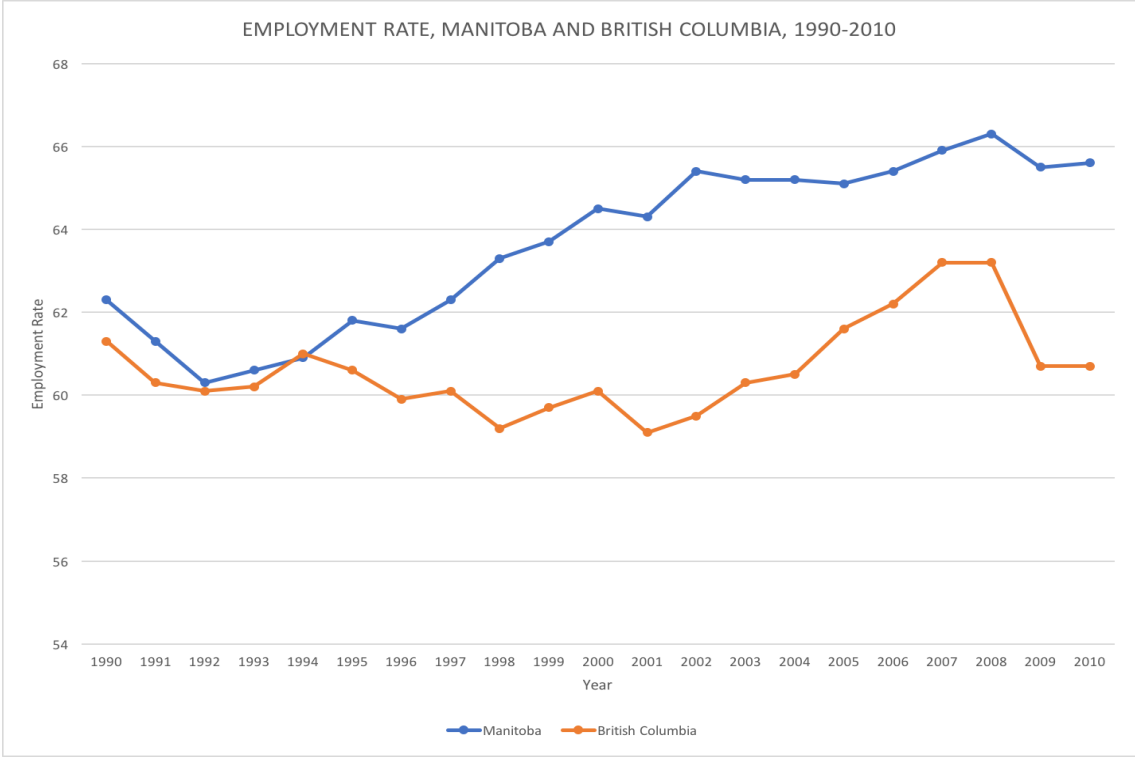
Chapter 5: Trends in Social and Economic Well-being

The focus of this chapter is a preliminary quantitative assessment of social and economic well-being in Manitoba and British Columbia from 1990 through 2010. As described in the third chapter, this analysis examines trends through the time period of interest in order to account for interprovincial economic differences. The economic indicators reported below are: employment/unemployment rates, GINI coefficients, low income cut-offs (LICO), and income shares. The social indicators reported below are: unionization, life expectancy, Core Housing Need (CHN) and Shelter-to-Income ratio (STIR). Indicators with annual data are presented in full for the time period of interest, while those based on Census data (CHN and STIR), data are included from the 1991 Census through the 2011 Census. For each indicator, trends are expressed graphically and described over time, with particular attention paid to differences observable between the provinces, as well as most importantly, between the different political parties governing. Before moving into the analyses, it is worth recalling the political parties as well as government changeover years in both provinces: in Manitoba, the Conservatives led the province from the beginning of the time series until 1999, at which point the NDP was elected, while in British Columbia, the NDP led the province from 1991 through 2000, at which point the Liberal party was elected. The analyses presented below will be incorporated into a broader discussion of CED and state orientation saliency in Chapter 6, alongside the comparative secondary historical literature analyses presented in Chapter 4.

ECONOMIC TRENDS: MANITOBA AND BRITISH COLUMBIA

Employment and Unemployment

Figure 1. Employment Rates, Manitoba and British Columbia, 1990-2010



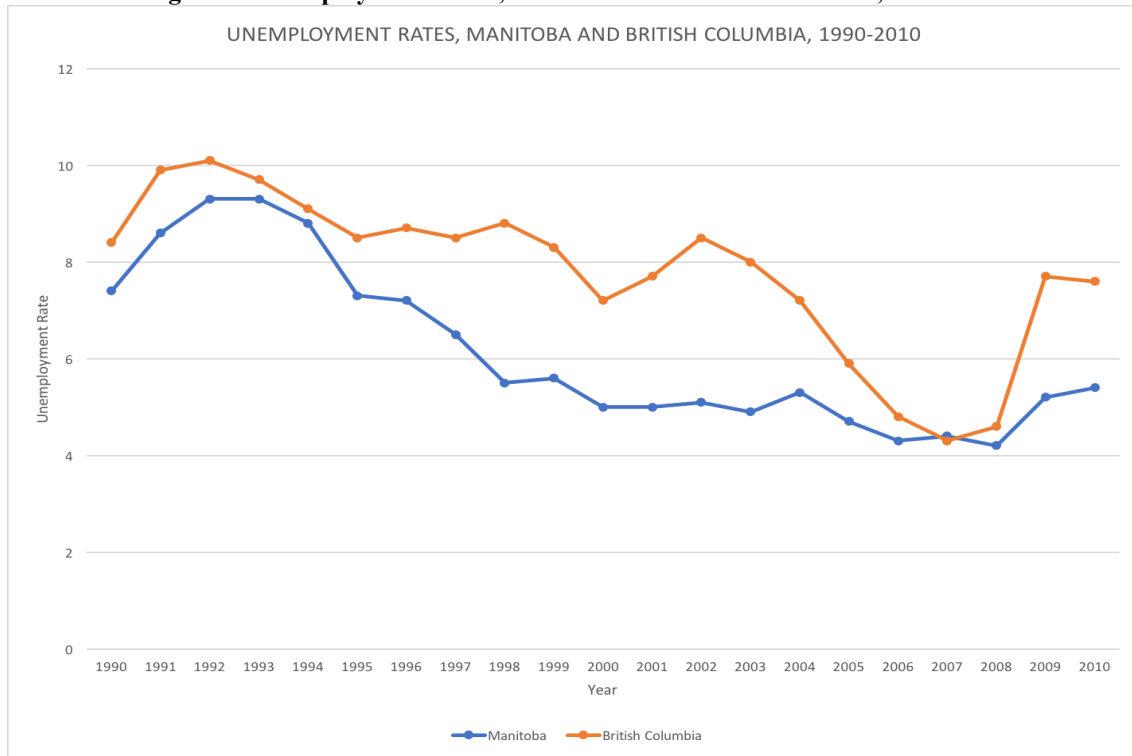
Beginning in 1990, the employment rates in both Manitoba (under PC leadership) and British Columbia (under NDP leadership) declined over the course of the following two years, with Manitoba recording a 60.3% employment rate and British Columbia a 60.1% employment rate. The two provinces remained in lockstep until 1995 when rates began to diverge. In Manitoba, the employment rate increases slowly but consistently under the PC government to a high of 63.3% in the final year of their tenure. In British Columbia, a slight decline occurred in employment rate through the end of the NDP tenure, however, rates remained within a fraction of a percentage point of 60% employment throughout. Following the election of the Manitoba NDP, employment rates continued to increase overall, reaching a high of 66.3% in 2008, at which point rates declined slightly for the final two years of the period of interest. Employment

rates in British Columbia lagged behind those in Manitoba throughout the Liberal tenure from 2001 through 2010, however rates consistently increased from 2001 through 2007 reaching 63.2%, and holding steady in 2008. A drop-off is observable in 2009, when the employment rate dipped to 60.7 and remained at that level through 2010. The decline in employment in both provinces beginning in 2009 is likely attributable to the 2008 financial crash. Manitoba appears to have been less effected, with a smaller decline observable between 2008-2009 than in British Columbia.

In order to further contextualize these numbers, and get a preliminary sense of the rate at which they changed, I calculated averages over: (1) the first three years of the time series, (2) the last three years of the first government's tenure (i.e. PC in Manitoba and NDP in British Columbia), and (3) the last three years of the second government's tenure within the boundary of the time series (i.e. NDP in Manitoba, and Liberal Party in British Columbia)². From 1990-1992 in Manitoba, the average employment rate was 61.30%, and from 1997-1999, the average was 63.10%, a percent increase of 2.94%. From 2008-2009, the average employment rate was 65.80%, a percent increase of 4.28%, suggesting that while employment increased overall under both governments, this increase was greater under the NDP. In British Columbia, the average employment rate over the 1990-1992 period was 60.57%, and from 1999-2001 the average employment was 59.63%, a percent decrease of 1.54%. From 2008-2010, the average employment rate was 61.53%, a percent increase of 3.19%. Overall, employment decreased under the NDP and increased under the Liberals, but less so than in Manitoba.

² See Appendix A for a summary of percent change results.

Figure 2. Unemployment Rates, Manitoba and British Columbia, 1990-2010

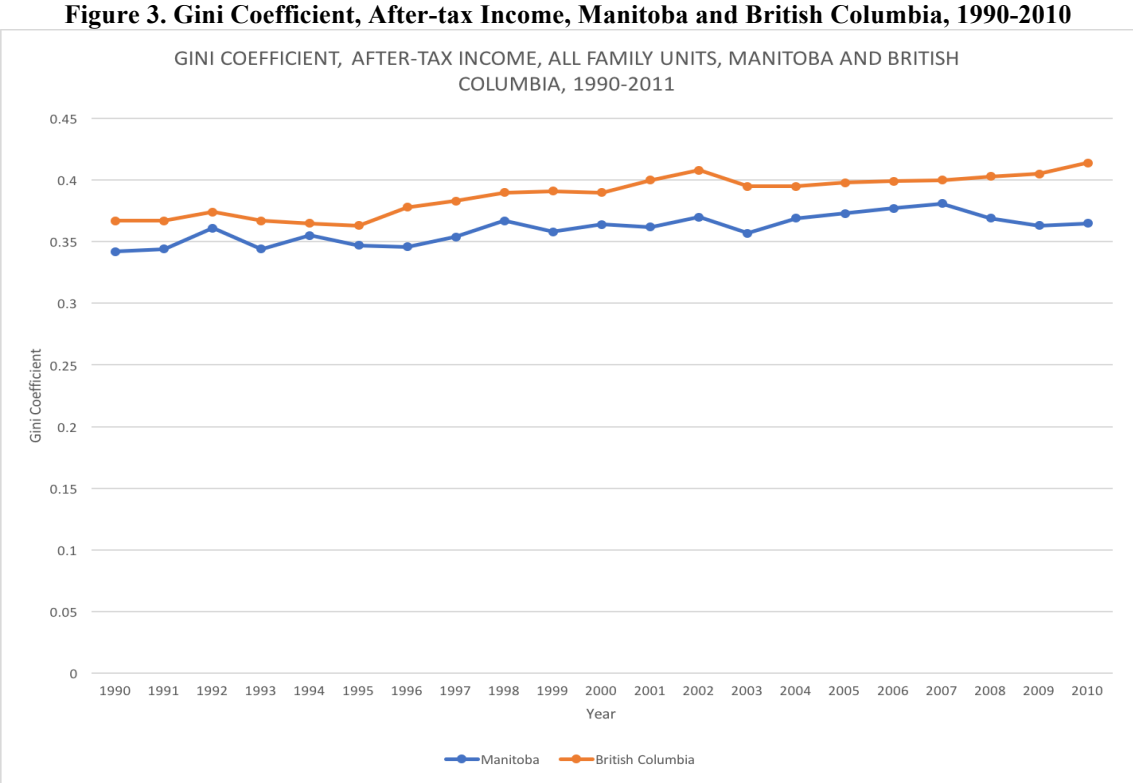


From 1990 through 1992, both provinces experienced an increase in the unemployment rate, followed by several years of decline. In Manitoba, the unemployment rate fell steadily under provincial PC leadership from a high of 9.3% in 1993, to 5.6% in 1999, the year in which the provincial NDP took power. Under the NDP the unemployment rate held relatively steady around 5% from 2000 to 2004. From 2005 to 2008, the unemployment rate fell from 4.7% in 2005 to 4.2% in 2008, before increasing a full percentage point to 5.2% in 2009 and then 5.4% in 2010. In British Columbia, the unemployment rate exceeded that of Manitoba throughout the period of interest, but experienced similar declines from 1993 through 1995. From 1996 through 1999 the unemployment rate remained relatively consistent, hovering between a high of 8.8% and a low of 8.3%. The unemployment rate decreased to 7.2% in the final year of the BC NDP government. Under the BC Liberals, the unemployment rate initially increased through 2002, before steadily declining to a low of 4.3% in 2007 and 4.6% in 2008. In 2009, the unemployment

rate increased sharply, by over 3% to 7.7% in 2009 and 7.6% in 2010. Again, in both provinces there was an increase in unemployment following 2008, with Manitoba holding the increase to a single percent, while the rate in British Columbia climbed by three percent.

In Manitoba, the average unemployment rate was 8.43% from 1990-1992, and 5.87% from 1997-1999, a percent decrease of 30.43%. From 2008-2010, the average unemployment rate was 4.93%, a percent decrease of 15.91%, suggesting that while the unemployment rate decreased overall under both governments, the PC government oversaw a greater decrease. In British Columbia, the average unemployment rate from 1990-1992 was 9.47%, and 7.73% from 1999-2001, a percent decrease of 18.31%. From 2008-2010, the average unemployment rate in British Columbia was 6.63%, a percent decrease of 14.22% from the 1999-2010 average.

GINI



In 1990, the Gini coefficient in Manitoba was 0.342, while the coefficient in British Columbia was slightly higher at 0.367. Under the PC government in Manitoba, the Gini

coefficient is relatively inconsistent year to year. It initially increased slightly for two years to 0.361 in 1992, before decreasing to 0.344 in 1993, then increasing again to 0.355 in 1994. The coefficient decreased for two years, to 0.346 in 1996. It then increased for two years to 0.367 in 1998, before decreasing to 0.358 in 1999. During the NDP tenure, the coefficient increased inconsistently through 2007, reaching a time-series high of 0.381. After 2007, the coefficient decreased to 0.369 in 2008, then 0.363 in 2009, before increasing slightly to 0.365 in 2010. Overall, the average Gini coefficient under the PC government was 0.352, while the average coefficient under the NDP was 0.368.

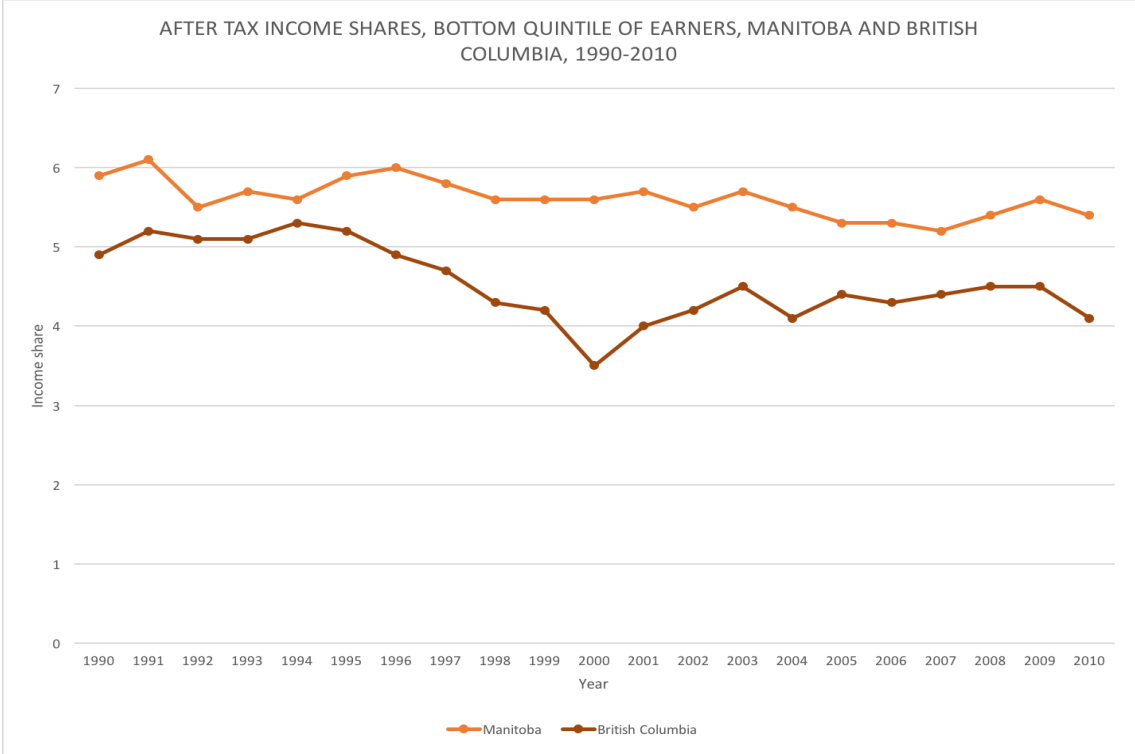
In British Columbia, the Gini coefficient held relatively steady through the first five years of the times series, increasing to 0.374 in 1992, but otherwise remaining around 0.367. It decreased to 0.363 in 1995, before increasing over the next four years, reaching 0.391 in 1999, before decreasing slightly to 0.39. In 2001, after the election of the Liberals, the Gini coefficient had increased to 0.4, and then increased further to 0.408 the following year. The coefficient was 0.394 in both 2003 and 2004. Beginning in 2005, the Gini coefficient increased year to year to a time-series high of 0.414 in 2010.

From 1990-1992 in Manitoba, the average Gini coefficient was 0.349, and from 1997-1999, the average Gini coefficient was 0.360, a percent increase of 3.10%. From 2008-2010, the average Gini coefficient was 0.366, a percent increase of 1.70% over the 1997-1999 average, suggesting that while inequality increased under both governments, it increased less under the NDP. From 1990-1992 in British Columbia, the average Gini coefficient was 0.369, and from 1999-2001, the coefficient was 0.394, a percent increase of 6.60%. From 2008-2010, the average coefficient was 2008-2010 was 0.407, a percent increase of 3.50%, suggesting that while

inequality increased under both governments, it increased less under the Liberals. However, it increased more under the Liberals in BC than the NDP in Manitoba through the same period.

Income Shares

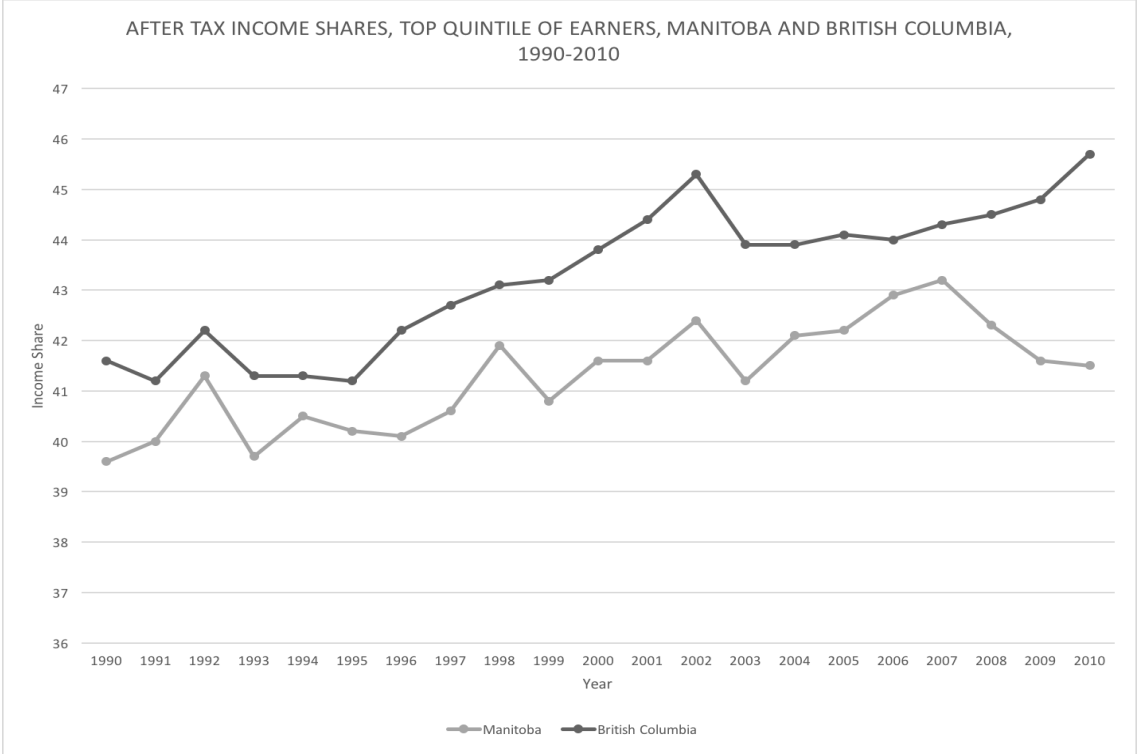
Figure 6. After-tax Income Shares, Bottom Quintile of Earners, Manitoba and British Columbia, 1990-2010



The bottom quintile of earners in Manitoba throughout the time series remains relatively consistent, only exceeding 6% once (6.1% in 1991), and only dips as low as 5.2% once, in 2007. Regardless of political party leadership, the bottom quintile of earners in Manitoba in this period could expect to command an after-tax income share of only 5-6%. The income share of the bottom quintile of earners in British Columbia was less consistent through this period. From 1990-1996 (Under provincial NDP leadership), the income share of the bottom quintile of earners in B.C. fluctuated around 5% (lows of 4.9% in 1990 and 1996, and a high of 5.3% in 1994). Beginning in 1997, the income share of the bottom quintile of earners decreased steadily, reaching a low of only 3.5% in the year 2000. Following the election of the provincial Liberal

Party, the rate recovered slightly, but remained low, never exceeding 4.5% through the remainder of the time series. Overall, in Manitoba, the percent change under the PC government amounted to a 2.86 percent decrease, and a further 3.53 percent decrease under the NDP government. In British Columbia, the percent change under the BC NDP amounted to a 23.03% percent decrease, while under the Liberal Party, the income share of the bottom quintile marked an overall 11.97 percent increase.

Figure 7. After-tax Income Shares, Top Quintile of Earners, Manitoba and British Columbia, 1990-2010

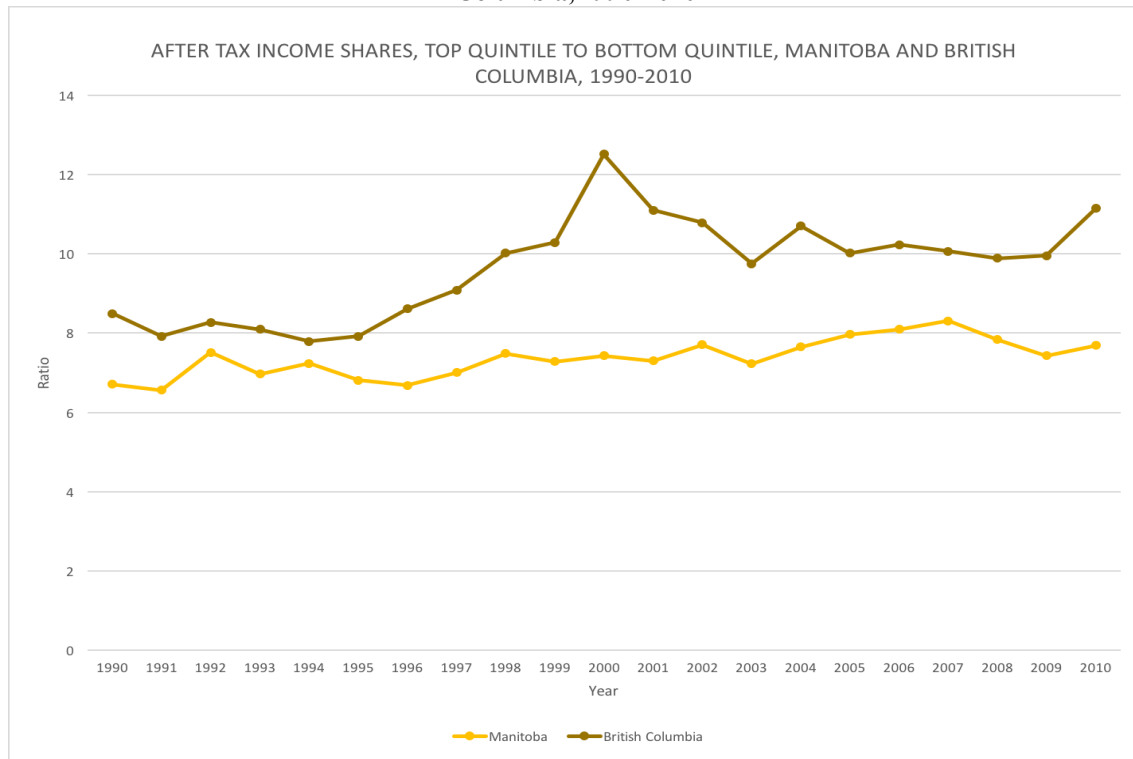


The income shares of the top quintile of earners clearly shows a very different picture than that of the bottom quintile. At the beginning of the time series in Manitoba, the top quintile of earners commanded a 39.6% income share, the smallest recorded income share for the top quintile in the province in the entire time series. Under PC leadership, the income share fluctuates around 40% for the bulk of their tenure, before rising to nearly 42% in their final year in power. Under the provincial NDP, the income share of the top quintile of earners expands

further, exceeding 41% in every year from 2000 to 2010. During this period, the income share reached as high as 42.9% in 2006 and 43.2% in 2007. In the final three years of the time series, the income share was in decline, but still exceeded the low of 39.6% in 1990.

The top quintile of earners in British Columbia fared even better than those in Manitoba. Under provincial NDP leadership, the income share of the top quintile of earners never fell below 41.2% for the entirety of that government's tenure. From 1990 to 1996, the income share fluctuated between 41.2 and 42.2%. The income share climbed to 42.7% in 1997, 43.1% in 1998, 43.2% in 1999, and then reached 43.8% in the final year of the provincial NDP government. Following the election of the provincial Liberal Party in 2001, the income share of the top quintile continued to expand. By 2002 it had grown to 45.3%, before decreasing to 43.9% in 2003 and 2004. From 2005 to 2009, the top quintile of earners had an income share of around 44%. In the final year of the time series, the income share of the top quintile had climbed to 45.7%, the largest share observed from 1990-2010 in either province. Overall, in Manitoba, the income share of the top quintile marked a 1.99% percent increase under the PC government, and a further 1.72% percent increase over the course of the NDP tenure. In British Columbia, the income share of the top quintile marked an overall 5.12% percent increase under the NDP, and an overall 2.74% percent increase under the Liberal Party.

Figure 8. After-tax Income Shares, Ratio of Top Quintile to Bottom Quintile, Manitoba and British Columbia, 1990-2010



Examining the income share ratio between the bottom and top quintiles of earners in each province allows us to contextualize the income shares described above. In Manitoba in 1990, the income share of the top quintile of earners was 6.7 times greater than the income share of the bottom quintile. From 1992 through 1994, the income share of the top quintile was more than 7 times greater than the income share of the bottom quintile. The ratio decreased to 6.8 in 1995 and 6.7 in 1996. From 1997 and 1998, the final years of the PC government, the income share of the top quintile was again over 7 times greater than that of the bottom quintile. The income share of the top quintile remained over 7 times greater than that of the bottom quintile through the first six years of the NDP government, before increasing to a full 8 times greater in 2005, and reaching a high of 8.3 times higher in 2007. The ratio decreased to 7.8 in 2008, and again to 7.4

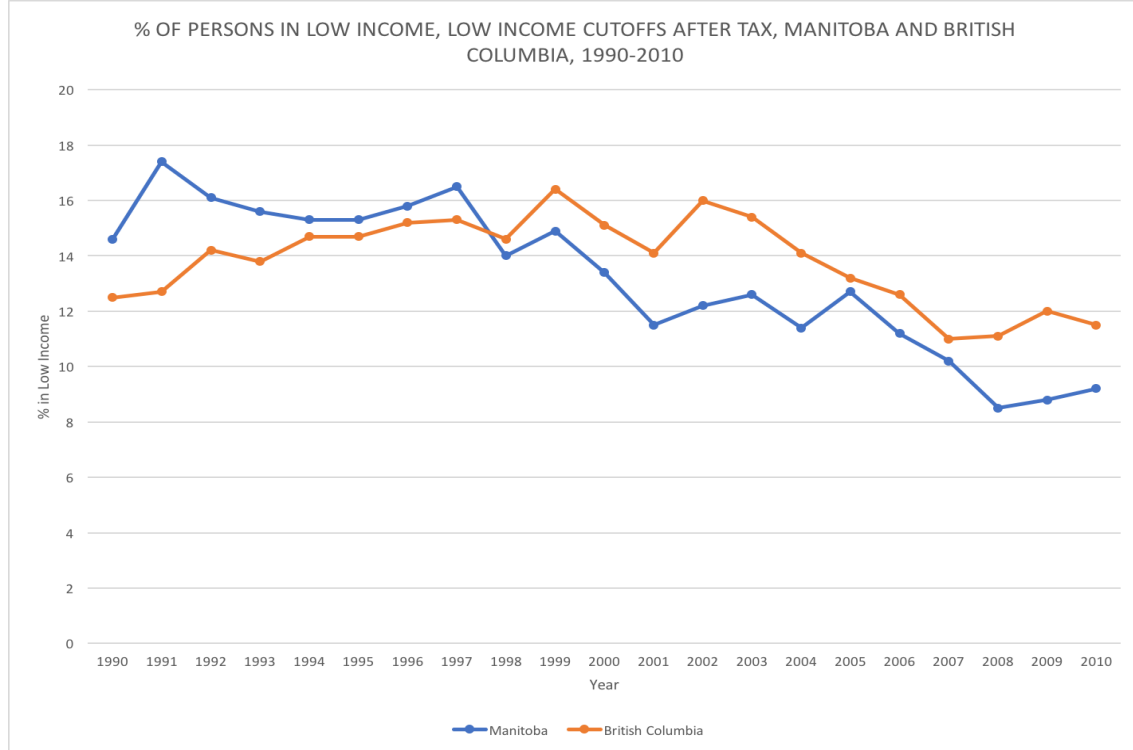
in 2009, before concluding the time series at 7.7 in 2010. Through the entire 20-year period under study, the ratio only slipped below 7 in four years (1990, 1991, 1995, and 1996).

In 1990 in British Columbia, the top quintile of earners enjoyed an income share 8.5 times greater than the income share of the bottom quintile of earners. The ratio decreased slightly to 7.9 in 1991, and then fluctuated near 8 from 1992 through 1995. From 1996 through 2000, the end of the BC NDP government, the income share ratio increased steadily. In 2000, the income share of the top quintile of earners in the province was 12.5 times greater than the share of the bottom quintile of earners. For the first three years of the Liberal tenure, the ratio decreased steadily, hitting 9.8 by 2008. From 2004 through 2007, the top quintile of earners commanded an income share about 10 times greater than the bottom quintile. The ratio dipped below 10 in both 2008 and 2009, before rebounding to 11.15 in 2010. Through the entire 20-year period under study, the ratio only slipped below 8 in three years (1991, 1994, and 1995).

From 1990-1992 in Manitoba, the average ratio of top to bottom quintile of earners was 6.93, and from 1997-1999 it was 7.26, a percent increase of 4.76%. From 2008-2010, the average ratio was 7.65, a percent change of 5.42%, suggesting that the NDP in Manitoba over saw a greater increase in the ratio of top to bottom quintile of earners. In British Columbia, from 1990-1992, the average ratio of top quintile to bottom quintile of earners was 8.23, and from 1999-2001, it was 11.30, a percent increase of 37.32%. From 2008-2010, the average ratio was 10.33, a percent decrease of 8.58%.

LICO

Figure 4. % of Persons in Low Income, LICO, After-Tax, Manitoba and British Columbia, 1990-2010



In Manitoba under provincial PC rule in 1990, per the LICO, 14.6% of persons were living in low income in the province at that time. In 1991, the rate increased by nearly 3% to 17.4%, before decreasing to 16.1% in the following year. From 1993 through 1996, the percentage of persons living in low income in the province remained relatively constant at around 15%, fluctuating by no more than half a percent in any consecutive year. In 1997, the rate rose to 16.5%, and then declined to 14% in 1998. In 1999, the year of political changeover to the provincial NDP, the rate was 14.9%. In 2000, the rate decreased to 13.4%, and then decreased again in 2001 to 11.5%. In 2002, the percentage of persons living in low income increased to 12.2%, and rose very slightly to 12.6% in 2003. In 2004, the rate dropped to 11.4%, before rebounding to 12.7% the following year. The rate decreased steadily from 2006 to 2008, reaching a time series low of 8.5% in that year. The rate increased for the final two years in the time series, to 8.8% in 2009 and 9.2% in 2010. Overall, the highest percentages of persons living

in low income occurred under provincial PC governance, though by the end of their tenure the rate was in decline. The lowest percentages are observable in Manitoba under NDP leadership, with the lowest rate in the time series observable in 2008 at 8.5%.

In British Columbia, under the provincial NDP, the percentage of persons living in low income per the LICO, was 12.5%, which was at the time over 2% lower than in Manitoba. In 1991, the rate remained relatively consistent, before increasing to 14.2% in 1992. The rate decreased in 1993 to 13.8%. From 1994 through 1998, the rate fluctuated between 14.6 and 15.3%, before increasing to 16.4% in 1999. In the final year of the NDP tenure, the rate was 15.1%. Upon the election of the provincial Liberal Party in 2001, the rate was 14.1%. In 2002, the percentage of persons living in low income increased to 16% in 2002, before falling to 15.4% in 2003. From 2004 through 2007, the rate decreased steadily, reaching a provincial low of 11% in 2007, which held steady at 11.1% in 2008. In 2009, the rate increased to 12%, and in the final year of the time series, the percentage of persons living in low income in the province was 11.5%. Similar to the Manitoba case, the highest percentages were observed in the 1990s (though under provincial NDP leadership), with the highest rate of 16.4% in 1999. The lowest rates were observed under provincial Liberal leadership in the 2000s, with the lowest rate observed at 11% in 2007. Despite having a smaller percentage of persons living in low income at the beginning of the time series, by 2010 a larger percentage of persons were living in low income in British Columbia.

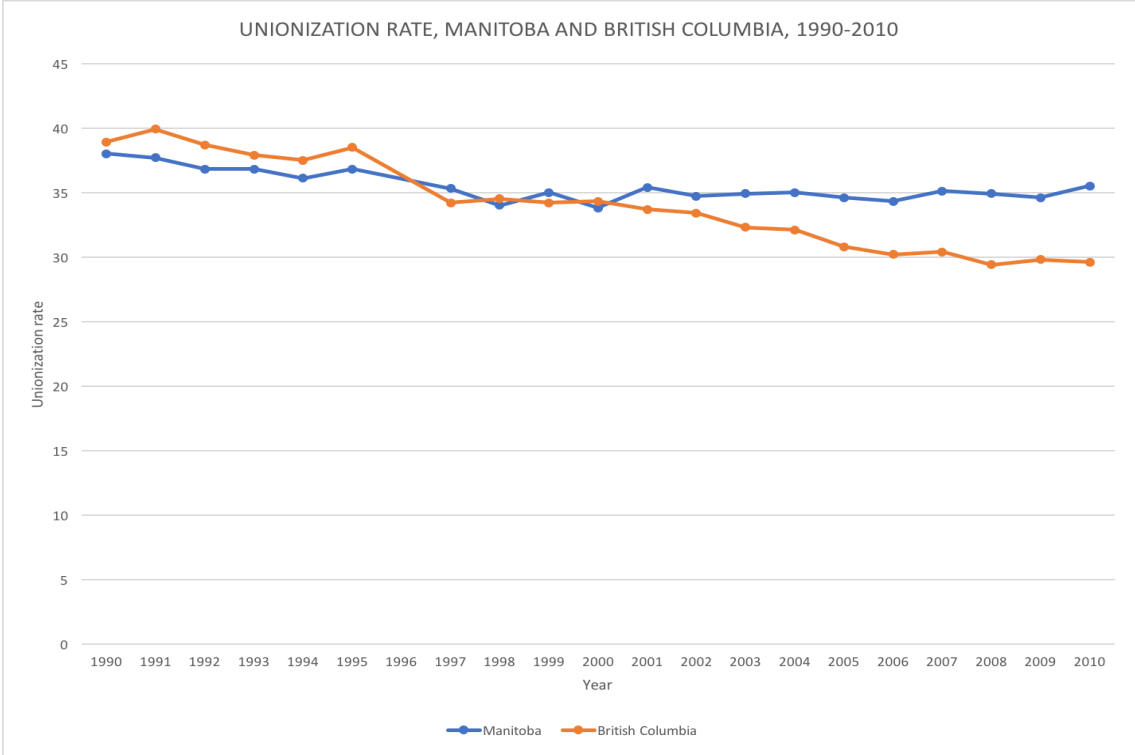
In Manitoba, the average percentage of persons in low income (LICO), from 1990-1992 was 16.03%, and from 1997-1999, the average was 15.13%, a percent decrease of 5.61%. From 2008-2010, the average percentage of persons in low income was 8.83%, a percent decrease of 41.63%, suggesting that the percentage of persons in low income decreased substantially more

under the NDP government. In British Columbia, from 1990-1992, the average percentage of persons in low income was 13.13%, and from 1999-2001 it was 15.20%, a percent increase of 15.74%. From 2008-2010 the average percentage of persons in low income was 11.5%, a percent decrease of 24.12%, suggesting that the percentage of persons in low income increased under the NDP, and decreased under the Liberals, though less so than in Manitoba under the NDP.

SOCIAL TRENDS: MANITOBA AND BRITISH COLUMBIA

Unionization.

Figure 9. Unionization Rate, Manitoba and British Columbia, 1990-2010



Manitoba and British Columbia began the decade with near identical unionization rates (38% and 38.9%, respectively). In Manitoba, throughout the provincial PC tenure, the unionization rate declined by 4.2% overall, from 38% to 33.8% from 1990 to 2000. Under the provincial NDP, the unionization rate increased slightly to 35.4% after their first year in power,

and held steady between 34 and 35 percent for the remainder of their tenure. In British Columbia, the unionization rate hovered near 40% under the provincial NDP from 1990 through 1995, before dropping to 34.2% in 1997, and declining through the remainder of the BC NDP tenure. Under the provincial Liberals, the unionization rate declines steadily throughout the 2002-2010 period, falling from 33.4% in their first year of governing, to 29.6% by 2010. Despite their broadly similar unionization rates between 1990 and 2000, from 2001 onwards Manitoba's unionization rate held steady, while British Columbia's declined such that by the end of the time period of interest, unionization in BC was nearly 6% lower than Manitoba's rate.

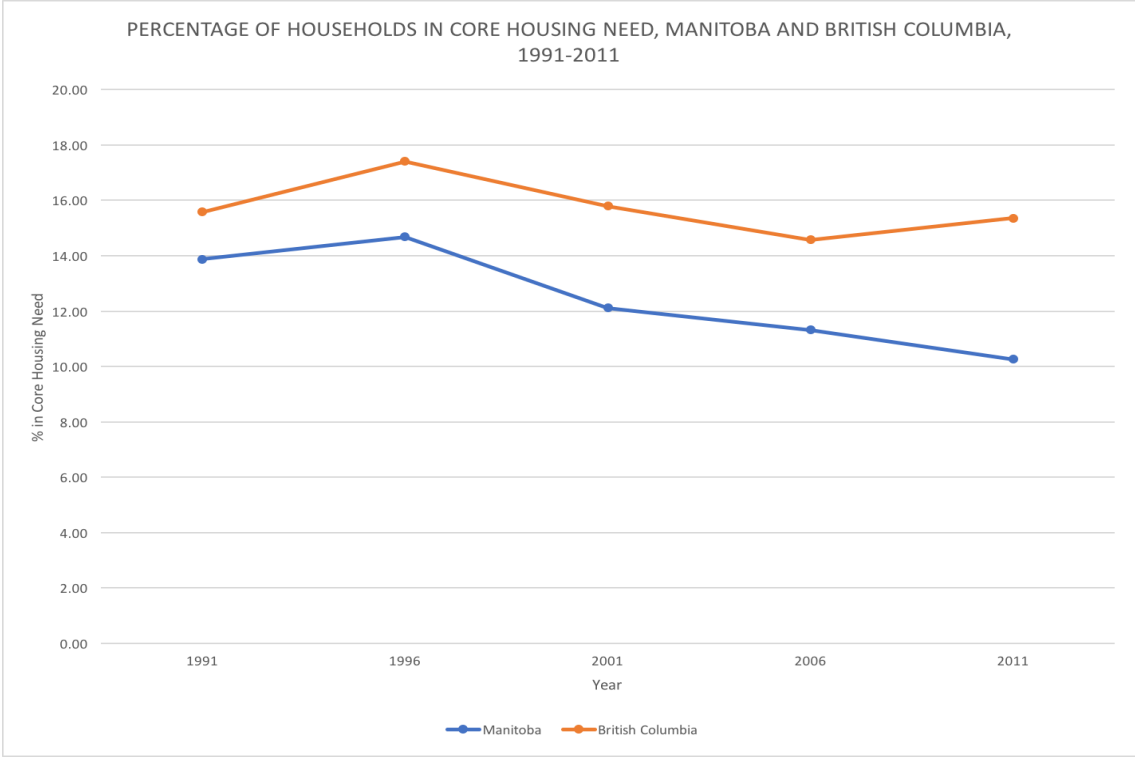
In Manitoba, from 1990-1992, the average unionization rate was 37.50%, and from 1997-1999, the average unionization rate was 34.77%, a percent decrease of 7.29%. From 2008-2010, the average unionization rate was 35.00%, a percent increase of 0.67%. Overall, the PC government oversaw a decrease in the unionization rate over the course of their tenure, while the NDP oversaw a slight increase. In British Columbia, the average unionization rate was 39.17% from 1990-1992, and 34.07% from 1999-2001, a percent decrease of 13.02%. From 2008-2010, the average unionization rate was 29.60%, a percent decrease of 13.11%. Overall, both the NDP and the Liberal Party oversaw similar decreases in the unionization rate.

Core Housing Need/Shelter-to-Income Ratio.

CMHC uses census data to establish CHN and STIR, therefore data is only collected every five years. In order to capture a fuller picture of the trends, the year 2011 is included below. Both the Manitoba NDP and the BC Liberals remained in power through 2011. Due to the constraints of the Census data, calculating percent change over the first and last three years of each government's tenure is not possible for the CHN and STIR data. The single data points also do not completely coincide with the changeover years in Manitoba and British Columbia.

Comparison of the 1991-2001 and 2001-2011 periods are included, but should be interpreted cautiously given the discrepancy in changeover year.

Figure 10. % of Households in Core Housing Need, Manitoba and British Columbia, 1991-2011

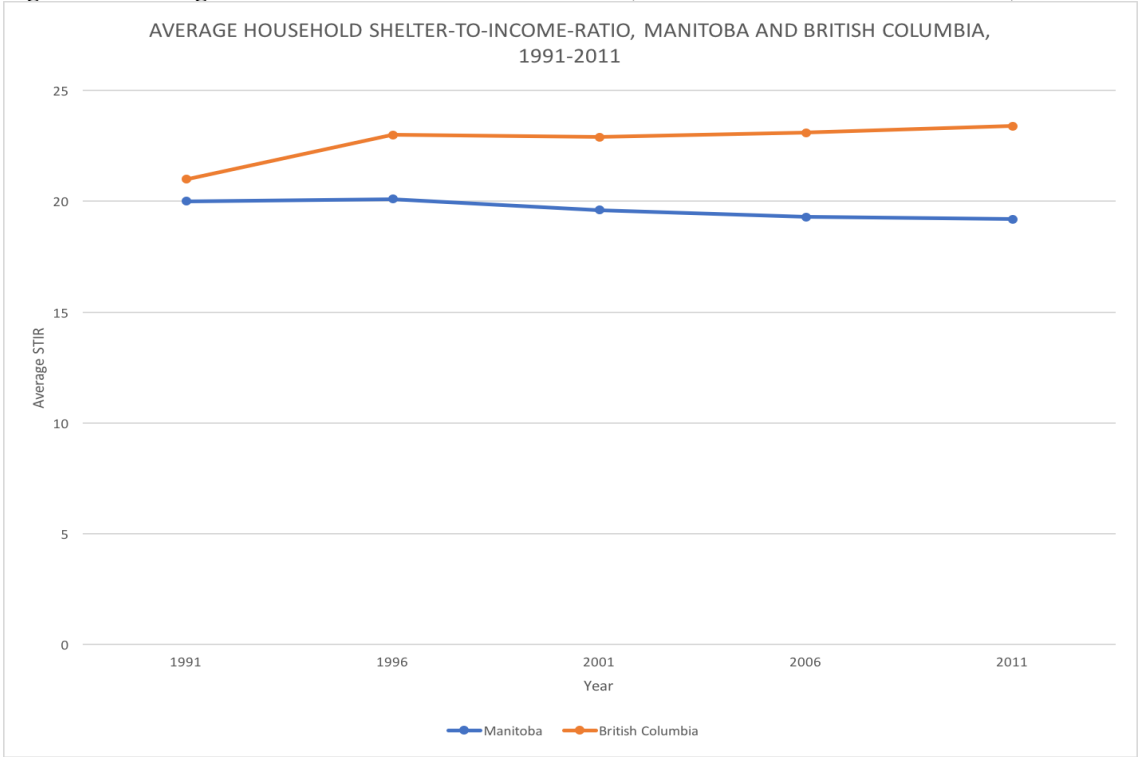


At the beginning of the time series, a higher percentage of households in British Columbia were determined to be in CHN than in Manitoba. In Manitoba, CHN increased from 13.9% in 1991 to 14.7% in 1996. From 1996 to 2001 the percentage of household in CHN decreased to 12.1%. The rate decreased again to 11.3% in 2006, and decreased further to a time-series low of 10.3% in 2011. Overall, CHN status initially increased under the PC party in Manitoba, however, given that changeover occurred in 1999 in Manitoba, it is difficult to assess whether this rate was already in decline in the final years of the PC tenure. However, the rate continued to decrease steadily over the course of the NDP tenure in Manitoba. The average percentage of household in core housing need throughout the timespan was 12.45%. In

Manitoba, the percent change from 1991 to 2001 was a decrease of 12.68%, and from 2001 to 2011, the percent change was a decrease of 15.35%.

In British Columbia, the percentage of households in CHN rose from 1991 to 1996, from 15.6% to 17.41%. Percentage of households in CHN then decreased from 1996-2001 to 15.8%, and then decreased further to a time series low of 14.5% in 2006. In 2011, the percentage of households in CHN increased to 15.4%. Overall, despite the higher percentage of households in CHN, the trends in BC followed those in Manitoba, with an initial increase under the BC NDP, followed by a decrease under the BC Liberals. However, by the end of the time series, the percentage had increased under the Liberals. In British Columbia, the percent change from 1991 to 2001 was an increase of 1.35%, and from 2001-2011, was a decrease of 2.79%.

Figure 11. Average Household Shelter-to-Income-Ratio, Manitoba and British Columbia, 1991-2011



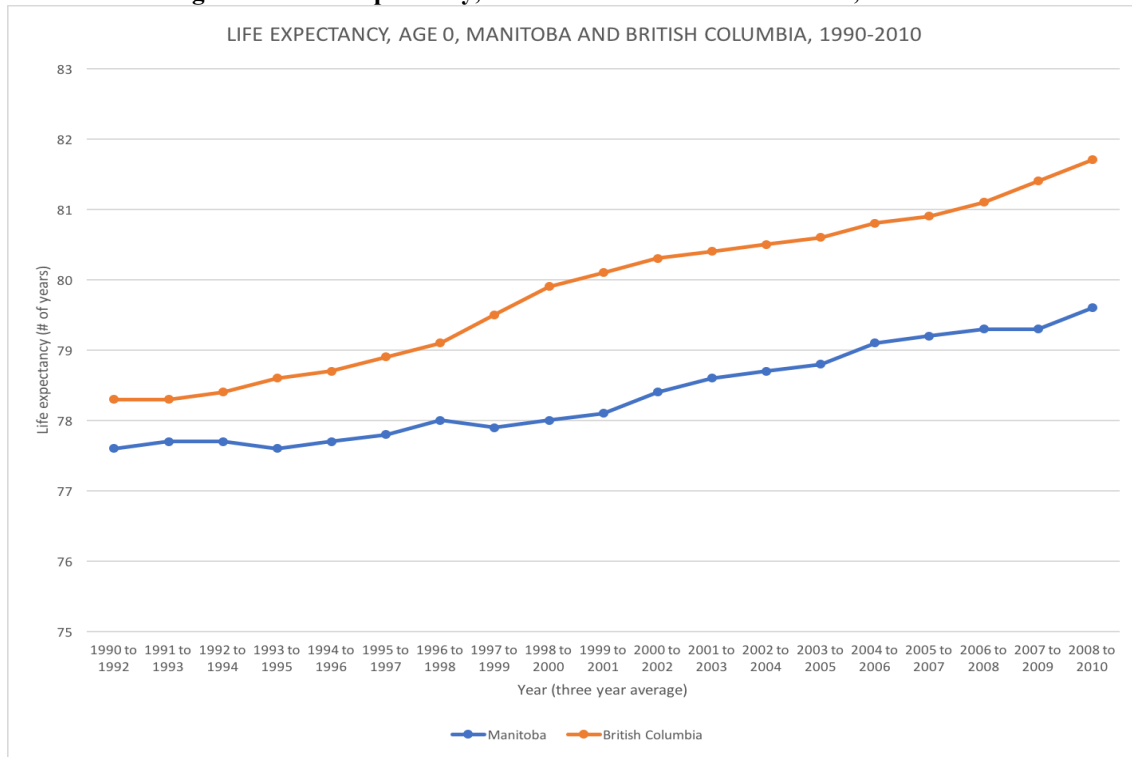
Through the length of the time series, the average household STIR in Manitoba remains relatively consistent. At the outset, in 1991, the average household STIR was 20%. The

percentage increased slightly to 20.1% in 1996, and then declined very slightly over the next three data points from 19.6% in 2001, to 19.3% in 2006, and 19.2% in 2011. The average household STIR in Manitoba remained lower than the average in British Columbia throughout the time series. In British Columbia, the average household STIR just slightly exceeded Manitoba's average at 21%. In 1996, the average household STIR increased by two percent to 23%, before decreasing slightly to 22.9% in 2001. In both 2006 and 2011 the average household STIR increased slightly to 23.1% in 2006 and 23.4% in 2011.

As outlined previously, comparing between political parties is challenging due to the constraints of the census data pertaining to political changeover years. However, as an overall assessment, the data demonstrates that in both provinces, average household STIR remained relatively stable throughout the time series, with the rates diverging after 1991, with a slight overall increase in British Columbia through the time series, and a slight overall decrease in Manitoba through the time series. In Manitoba, the percent change between the average STIR from 1991-2001 was a decrease of 2.00%, and from 2001-2011, the percent change was a decrease of 2.04%. In British Columbia, the percent change between the average STIR from 1991-2001 was an increase of 9.05%, and from 2001-2011 was a percent increase of 2.18%.

Life Expectancy.

Figure 12. Life Expectancy, Manitoba and British Columbia, 1990-2010



In calculating life expectancy, Statistics Canada takes three-year average for each data point. As expected, in both Manitoba and British Columbia, the average life expectancy increases overall through the time series, though at different rates. In Manitoba, at the beginning of the time series the average life expectancy was 77.6 years. From the beginning of the time series through the end of the PC tenure in the province, life expectancy increased overall, though inconsistently. For the next two years, life expectancy stagnated at 77.7, then decreased to 77.6, before rebounding to 77.7. Life expectancy fluctuated between a high of 78.1 to a low of 77.9 until the end of the PC tenure. Upon the election of the NDP, in 1999, life expectancy was 78.1. Through the entirety of the NDP tenure, increased steadily every year by a minimum of 0.1 years. By the end of the time series, life expectancy in Manitoba reached a series high of 79.6 years. Overall, life expectancy increased under both governments, but only experienced year to

year decreases in life expectancy under the PC government. By contrast, in British Columbia, life expectancy either increases or remains the same through the entirety of the time series.

In Manitoba, the average life expectancy from 1990-1992 was 77.6, and from 1997-1999 it was 77.9, a percent increase of 0.4%. From 2008-2010, the average life expectancy was 79.6, a percent increase of 2.2%, suggesting that while life expectancy increased under both governments, the NDP oversaw a greater increase. In British Columbia, the average life expectancy from 1990-1992 was 78.3, and from 1999-2001 was 80.1, a percent increase of 2.3%. From 2008-2010, the average life expectancy was 81.7, a percent increase of 2%. Overall, life expectancy increased in both provinces, under both governments, however, life expectancy had a greater percent increase under both NDP governments than their PC or Liberal counterparts.

In the following chapter, the outcome analyses presented here will be discussed and interpreted, alongside the comparative historical-political analyses presented in Chapter 4, with the view of returning to both the research questions outlined in the introductory chapter, as well as the theoretical context outlined in Chapter 2. In answering these questions, the final chapters of this thesis will argue that, contrary to the convergence hypothesis, state orientation remains salient, and contributes to both differing policy landscapes, as well as social and economic outcomes.

Chapter 6: Discussion

Recall from the introductory chapter the research questions posed alongside the overarching question of: does state orientation matter?:

- (1) How do Manitoba and British Columbia perform over time on a range of CED-related indicators of social and economic well-being?,
- (2) Does the political party governing at a provincial level make a difference?, and finally,
- (2) Is state policy an effective mechanism through which to expand community economic development?

This section of the thesis will incorporate and interpret the findings outlined in the previous two chapters in the context of each of these questions. The discussion of question one will centre on an overall assessment of how each province fares in terms of the social and economic well-being indicators. The discussion of question two will interpret the historical and political histories, as well as the social and economic well-being indicators with a specific emphasis on assessing convergence vs. divergence. The discussion of question three will focus on consolidating the findings from the first two research questions into an overall assessment of the health of CED in these provinces and the effectiveness of political parties in securing CED-supportive policy and outcomes. Finally, this section will cover some of the challenges that impacted this study, as well as outlining a set of recommendations for expanding and implementing community economic development.

HOW DO MANITOBA AND BRITISH COLUMBIA PERFORM OVER TIME?

The convergence hypothesis suggests that, over time and under increasing pressure to establish policy and regulatory environments attractive to outside private investment, states will converge on meagre policy provisioning with limited social and economic protections for the average citizen. Pressures to secure the investment of private enterprise also clearly run contradictory to the goals and priorities of securing well-being through community economic development. Without comprehensive policies to protect citizens against market failures, economic and social well-being is threatened (Olsen 2002: 18). Through the period under study, there is some evidence of reduced well-being in Manitoba and British Columbia, as well as areas which suggest that well-being has improved.

Economic Well-being Indicators

Overall, the evidence concerning economic well-being is mixed. In Manitoba, the employment rate rose overall through the time series, with a 2.94% increase under the PC government, and a 4.28% increase under the NDP. In British Columbia, the employment rate decreased by 1.54% under the NDP government, and increased by 3.19% under the Liberal party. In both provinces, the unemployment rate declined overall, with a 30.43% decrease under the Manitoba PC government, a 15.91% decrease under the Manitoba NDP, an 18.31% decrease under the BC NDP, and a 14.22% decrease under the BC Liberal Party. The LICO paints a relatively positive picture in Manitoba, with overall decreases over both the PC and NDP governments (5.61% and 41.63% overall). While poverty rates increased overall under the NDP in British Columbia, they decreased throughout the Liberal Party tenure. By the end of the time series, each of these indicators trended towards increased economic well-being.

By contrast, both the Gini coefficient and the income share ratio between the top quintile of earners and the bottom quintile of earners paints a less positive picture. The Gini coefficient increased overall in both provinces, under both governments through the time series. This increase was greatest under the BC NDP and the BC Liberal governments, with British Columbia maintaining a larger Gini coefficient than Manitoba throughout the 1990-2010 timespan. Overall, the ratio between the top quintile of earners and the bottom quintile of earners increased throughout both governments in Manitoba throughout the time series, and in British Columbia, increased under the NDP and decreased overall under the Liberal Party. The income share of the top quintile of earners increased under each government serving in both provinces during this time. The income share of the bottom quintile of earners decreased overall under both the PC and the NDP in Manitoba, and significantly under the NDP in British Columbia. However, the income share of the bottom quintile increases overall under the Liberal government in British Columbia, with a percent change of nearly 12%. These results suggest that, despite gains in the areas of poverty and employment, and the reduction in the income share ratio under the Liberals in BC, economic inequality remained a salient feature of both provinces through the 1990-2010 period. This enduring stratification is particularly troubling finding within the framework of CED, which aims to increase the well-being and build the capacities of all members of a community. In the aggregate, these findings suggest a convergence towards persistent inequality across these provinces during the period under study.

Returning to the theoretical context of Power Resources Theory, of particular note is the varying extents to which political party made a difference within the provinces. In British Columbia, economic well-being indicators suggest that the province was better served by a Liberal government than the NDP. Under Liberal governance, employment increased, the Gini

coefficient increased less, the income share of the top quintile grew less, the share of the bottom quintile increased, the income share ratio decreased, and the percentage of persons living in poverty (LICO) decreased. While the BC NDP did have to grapple with a recession in the early portion of the time series, this pattern remains of interest, as the same does not appear to hold in the Manitoban case, where the results are more mixed. With respect to unemployment and income share ratio, the PC government oversaw a greater increase in economic well-being, while the NDP oversaw gains in employment, and poverty (LICO). The two governments oversaw similar changes to the income shares of the top and bottom quintiles of earners.

Social Well-being Indicators

The evidence concerning social well-being is also mixed, and varies considerably between the two provinces. Unionization decreased overall in Manitoba under the PC government, and in British Columbia under both the NDP and the Liberal party. Though there was not an overall decrease under the NDP in Manitoba, the percent change in Manitoba under the NDP was an increase of less than one percent. Core Housing Need decreased under both the PC and NDP governments in Manitoba, as well as under the Liberal Party in BC, but increased slightly overall under the BC NDP. Overall shelter-to-income-ratio is mixed, with overall small decreases under both the PC and the NDP in Manitoba, and overall increases under both the NDP and the Liberal Party in British Columbia. As anticipated, life expectancy increased in both provinces under both governments throughout the time series, but as will be discussed below, at differing rates.

While the comparison of economic well-being picture in Manitoba under the PC and NDP governments was relatively mixed, the social well-being indicators suggest that the NDP had a greater favorable impact. The NDP oversaw an increase in unionization (though small), decreases in poverty (LICO), greater decreases in core housing need and STIR, and a greater

increase in life expectancy than their PC counterparts, suggesting social well-being divergence between governments in the Manitoban context. In British Columbia, the social well-being indicators are mixed, with decreases to core housing need and a smaller increase in STIR under the Liberal government, while the NDP oversaw a greater increase in life expectancy. The unionization rate decreased relatively uniformly under both governments in BC.

DOES THE POLITICAL PARTY GOVERNING MAKE A DIFFERENCE?

While the results of the social and economic analyses presented above paint a mixed picture of well-being in Manitoba and British Columbia, in assessing whether governing parties make a material difference, within the context of national economic integration, of interest to this question is the extent to which both policies and outcomes converged or diverged under the leadership of the political parties serving through the timeframe of interest. While the question of provincial policy convergence was discussed in Chapter 4, it is worth restating some of the most salient differences with respect to CED-related policies and politics before moving on to discuss convergence/divergence in social and economic outcomes.

The NDP tenure in Manitoba is often regarded as a particularly bright spot for advocates of the CED approach. From their election in 1999, the provincial NDP made CED a central focus of their policy mandate by establishing the Community Economic Development Lens, and incorporating it throughout the government. The appointment of members of each department to the Community and Economic Development Committee of Cabinet working group ensured that every department then had a member versed in the CED framework who could serve as an advocate for the approach. Further, several prominent members of CED organizations came to serve in important roles within the NDP government. The effort to incorporate CED goals and

principles across departments led to the development of numerous relevant policies and initiatives, including initiatives aimed at increasing the number of contracts between the province and indigenous-owned businesses, increased funding for CED organizations, tax credits encouraging investment in community-based enterprises, and supporting new and existing cooperatives operating in the province. While many have pointed out that the promise of the provincial government's CED lens ultimately fell short, with community relationships breaking down in the absence of formal mechanisms for engagement, there remains general agreement that the health and viability of CED under the Manitoba NDP outstripped its condition under the previous Conservative government. The policies that were implemented through the lens clearly reflect that departure.

Though the NDP also led the government in British Columbia during part of the time period of interest, their policy endeavours bore little significant resemblance to that of their Manitoban counterparts. By contrast, from their outset, the BC NDP inherited the difficulties of governing in a highly polarized political environment, with provincial politics having been dominated by the right-wing Social Credit Party for the vast majority of the forty years prior to the NDP's election. Some of the NDP's initial efforts to include community groups and social movements appeared a promising avenue for expanding CED in the province, but those relationships quickly faltered in the face of competition between groups and the government's engagement with the private sector. The BC NDP did succeed in some areas relevant to CED, namely establishing the highest minimum wage in country at that time, and reversing retrograde labour policies implemented by the Social Credit Party, but overall, the BC NDP was unable or unwilling to implement policy aimed at narrowing the gap between the rich and poor. The PRT perspective draws particular attention to the notion of path dependency, which could

theoretically account for the substantially inconsistent approach between the two NDP parties. In the context of decades of virtually uninterrupted Social Credit incumbency, the realm of what was politically viable upon the NDP's election was constrained by the entrenched approach of the party that came before.

There is clear policy divergence both within the provinces and between them. This divergence is most stark with respect to the CED-related policy environment fostered by the NDP government in Manitoba. Within the province, CED organizations clearly suffered under the Conservative government, with little support for, or consultation with, community organizations. As outlined above, the Manitoba NDP pursued policies and initiatives in an attempt to orient members of various governmental departments according to the core values of CED. While these initiatives proved imperfectly realized in the long-term, divergence between these governments remains. Comparing the Manitoba NDP to the British Columbia NDP, as well as the Liberal governments, policy divergence is also clear. Despite ostensibly sharing a commitment to social democratic values, the NDP in BC offered a far less progressive CED-related vision for the province than the NDP in Manitoba. Policies implemented under the Liberal government also clearly diverged from the NDP in Manitoba. From the outset, the Liberals committed to fostering a provincial environment conducive to the needs and desires of capital, by cutting taxes on businesses, undermining labour protections, and maintaining a low minimum wage.

Having established that the NDP in Manitoba pursued qualitatively different policies and initiatives relevant to CED than both the preceding Conservative government in the province, as well as the two governing parties in British Columbia, of interest is the extent to which this divergent platform led to divergent outcomes. There is some evidence of divergence between the

provinces and parties with respect to outcomes, both in terms of whether well-being increased or decreased, as well as in terms of the magnitude of overall increases/decreases. With respect to diverging trends, evidence is somewhat limited. The only indicator on which the Manitoba NDP marked an opposite overall trajectory than the other governing parties is in the unionization rate. While the rate reflected overall decreases over the course of the MB Conservative tenure, the BC NDP tenure, and the BC Liberal tenure, it increased overall under the MB NDP. However, this overall increase amounted to less than a percentage point (+0.67% when comparing the average of the final three years of Conservative tenure with the final three years of NDP tenure).

There are several social and economic indicators wherein the magnitude of overall percent changes suggests a degree of well-being divergence within the provinces under different governments. The employment rate in Manitoba marked a greater overall increase under the NDP than the Conservatives, as well as the Liberals in BC (the BC NDP oversaw an overall percent decrease during their tenure). While the Gini coefficient increased overall under all four governments, the percent increase was smallest under the Manitoba NDP. Low income cutoffs (LICO) showed that the percentage of persons living in low income underwent a larger percent decrease under the Manitoba NDP than the Conservatives and Liberals (the BC NDP oversaw an overall percent increase in the LICO during their tenure). The Manitoba NDP also oversaw the greatest overall percent decrease in Core Housing Need through their tenure in government. Shelter-to-income ratio (STIR) decreased overall under both the Conservative and NDP governments in Manitoba by virtually identical percentages, while both the BC NDP and the Liberal governments oversaw overall STIR percent increases, reflecting provincial divergence not necessarily tied to state political orientation.

The measures of unemployment, income share ratio, and life expectancy also reflect some degree of divergence, but do not follow similar trends to the above indicators (i.e. with the NDP in Manitoba showing the greatest overall percent change in favour of increased well-being). While all governments leading Manitoba and British Columbia through the 1990-2010 timeframe oversaw an overall percent decrease in the unemployment rate, this decrease was greatest under the Manitoba Conservative government. The steep initial incline through the 1990-1990 timeframe is likely attributable in part to the recovery following the 1990-1993 recession. At the outset of the time series, unemployment was high. The enduring pattern of stratification (e.g. the Gini coefficient), however, suggests that while the recovery had a positive impact on employment rates, the related economic gains were captured by the top earners. Trends in income share ratios indicate an overall increase in the ratio of top to bottom quintiles of earners in Manitoba throughout the time series, as well as under the BC NDP. However, the Liberal government in British Columbia oversaw an overall percent decrease in the income share ratio of top to bottom quintiles of earners. Similarly, the bottom quintile of earners marked overall increase in income share under both Manitoba governments, as well as the BC NDP, but marked an overall small percent increase under the Liberal party in British Columbia. Finally, as anticipated, provincial-level overall increases in life expectancy were observed in both provinces, under each government, with both the BC NDP and the Manitoba NDP oversaw the greatest overall increases (i.e. 2.18% under the MB NDP and 2.30% under the BC NDP).

To return to the above research question, to what extent do both the political/policy trajectories and the trends in social and economic well-being support the notion that the political orientation of the governing party makes a difference? The policy platforms enacted by the governments in Manitoba and British Columbia through the 1999/2001 through 2010 period of

the timeframe provide the strongest evidence of divergence. There are clear and salient differences in both the ideological commitments of, as well as the concrete policies put in place by, the various parties leading at the provincial level. Most notably, in this study of CED, the NDP in Manitoba went further than any other party in formalizing a CED framework with which to approach the development and implementation of policy. This framework led to initiatives grounded in the goals and priorities of CED, and the promotion of these goals and priorities throughout the government. While many have rightfully criticized the Manitoba NDP on the ways in which this approach fell short of expectations, a solid case for policy divergence remains.

The case for the divergence of well-being outcomes paints a less clear picture. Only one of the variables examined reflected a complete overall divergence under the Manitoba NDP, unionization, which only marked a small overall increase as compared to the overall decreases under the other three parties. When examining the magnitude of overall percent increases/decreases of the social and economic well-being variables, there is some evidence of favourable well-being divergence in the Manitoban case with respect to employment rates, Gini coefficients, low income cutoffs, Core Housing Need, and Shelter-to-Income ratio. Unemployment, income share ratios, and life expectancy, however, give the edge to other governments operating through the time series. The Manitoba Conservatives oversaw the greatest overall percent decrease in unemployment, the BC Liberals oversaw an overall decrease in the income share ratio between the top and bottom quintiles of earners (while the other governments oversaw overall increases), and the BC NDP oversaw the largest overall percent increase in life expectancy. In interpreting these results, it is worth recalling the relative positions of Manitoba and British Columbia within the Canadian federation. Trends in social and

economic well-being in the provinces through this period suggest that, under the Manitoba NDP, well-being kept pace with, and in some cases, trended towards greater well-being, than British Columbia. Given their differential statuses, these outcome measures provide some preliminary evidence for the CED approach as articulated by the Manitoba NDP, and in turn, for the notion that governing political party orientation remains salient. Further research into the strength of these relationships is key to continue building an evidence base in favour of the approach.

Before moving on to the final research question, it is important to understand these results in light of the theoretical context of convergence and PRT. It is important to underscore the following: both PRT and convergence forward a theoretical explanation for convergence, but only PRT can explain divergence. According to the convergence hypothesis, states will converge on meagre social and economic protections in order to maintain an environment conducive to private interests and avert capital flight. According to PRT, convergence of this kind reflects that the balance of power between labour and capital heavily favours capital. In accounting for divergence, PRT forwards the explanation that the balance of power in a given society is such that the state maintains some accountability to groups other than capital (e.g. the working class, indigenous peoples). The modest degree to which policy and outcomes diverged between provinces can be understood as an expression of path dependency, wherein Manitoba, by virtue of its somewhat stronger history of labour and indigenous mobilization and capacity, as well as historically, greater state accountability to groups other than capital, resulted in more leeway to enact progressive anti-poverty policy. This modest divergence between the provinces provides disconfirming evidence for the convergence hypothesis, within an overarching national trend of increasing within-society inequality.

IS STATE POLICY AN EFFECTIVE MECHANISM THROUGH WHICH TO EXPAND COMMUNITY ECONOMIC DEVELOPMENT?

The above evidence establishes a solid case for policy divergence, and a more nuanced one for outcome divergence leading from the differing policy platforms espoused by the various political parties that governed from 1990 through 2010. The preliminary case established by the outcome variables is perhaps less convincing than expected, given the evidence of policy convergence, as well as less heartening than proponents of the CED approach would hope. This evidence proposes several different possible explanations, three of which will be discussed in considering this final question of whether state policy is in fact an effective mechanism through which to expand CED. As the above section outlines, there is clear evidence of policy divergence through the timeframe of interest to this study, and in particular, that the Manitoba NDP espoused a specifically CED-supportive policy framework. In this respect, it is reasonable to conclude that, specifically in the case of policy, government political orientation does matter in expanding CED. However, social and economic well-being are core pillars of the CED approach, and the extent to which supportive policy materially improves these indicators is also a key consideration in accounting for success.

The results of the outcome analyses propose several possible explanations for the relatively modest success of the Manitoba NDP in securing well-being. The first explanation I wish to discuss in detail recalls some of the data challenges briefly outlined in the methods chapter. As previously stated, the suitability, temporal, and geographic constraints of this study limited the amount of useable data to a set of provincial indicators measuring social and economic well-being. However, the goals and priorities of CED are more expansive and varied than the data meeting the inclusion criteria of this study is able to capture. The initial outline of

this project distilled five areas relevant to CED within which to search for data: employment, poverty reduction, environmental sustainability, economic democracy, and homelessness. The preliminary search for data turned up a variety of sources, however, little of that data met the inclusion criteria for this study. For example, data that was excluded for either temporal or geographic coverage reasons includes the number of cooperatives and neighborhood renewal corporations, cooperative survival rates, data concerning credit unions (e.g. number of memberships, assets, equity), shelter occupancy, homeless point in time counts, and sense of belonging to the local community.

Of further concern, particularly in a study of CED, is the challenge of identifying comparable data at a more fine-grained scale than the level of the entire province. Given the community-centric values of CED, it is possible that provincial-level data is not sufficient to capture the full effects of the approach. One of the most fine-grained data collection efforts in Canada is the census program, which collects data at the level of individual households, and thus can be examined at the neighborhood level. However, census data comes with its own set of challenges, particularly within the confines of this study, as is observable in the data related to CHN and STIR. Census data is only collected every four years, and unfortunately in this case in particular, those years do not coincide with the political changeover years in Manitoba and British Columbia. Ultimately, being unable to fully capture the theorized effects of CED may result in an underestimation of the positive outcomes related to a CED-supportive policy environment, which could account for the relatively modest overall effects captured by the social and economic indicators analyzed above.

The second potential explanation is grounded in the concerns expressed by CED practitioners and advocates about the shortcomings of the Manitoba NDP's CED framework.

While there remains general agreement among Canadian CED advocates concerning the desirability of the policy framework established under the NDP, many have also pointed out the ways in which this framework fell short of expectations. As outlined in Chapter 4, some of the shortcomings of the approach espoused by the government included such issues as inconsistent support for the framework in some departments (i.e. those concerned with traditional economic approaches), the lack of formal mechanism for community engagement leading to increasingly insular policy development, as well as an enduring commitment to engaging in brokerage politics aimed at appeasing private sector business (Enns 2018: 17; Amyot et al 2012: 145; Sheldrick and Warkentin 2007: 3). Ultimately, a stated commitment to CED can only go so far if there are inconsistencies in application across departments, particularly if those at the very nexus of provincial power remain concerned with fostering an environment conducive to the dominant capitalist mode of development. This inconsistency introduces the concern that the stated commitment to CED amounted to little more than a rhetorical strategy to secure public support, rather than a genuine commitment to fostering CED in the province. These criticisms are vital to consider alongside the modest preliminary outcome analyses, as an inconsistent approach can certainly have an impact, both on the policies that are implemented and their ultimate outcomes.

The final potential explanation I would like to discuss is that the effects of CED-supportive policy on social and economic well-being are in fact small, at least, within the boundaries of this study. As outlined above, there are areas within which social and economic well-being improved in the provinces, and specifically under the Manitoba NDP, but there are also genuine concerns over the level of inequality that persisted through the time series. It is certainly possible that a CED approach is in fact only modestly effective in securing the goals and priorities of social, economic, and environmental well-being for all, but does it then

necessarily follow that the CED approach is not worth pursuing? If what propels the search for alternatives to the dominant capitalist mode of development is the desire to secure benefits for, and build the capacities of all, small increases in well-being, or reductions in inequality, are nonetheless worthy of pursuing further. Rather than abandoning an approach that this and other research has demonstrated as valuable, a more strategic use of these results is to inform recommendations aimed at improving the implementation and expansion of CED.

RECOMMENDATIONS

There are three main recommendations that I wish to conclude this discussion with. The first seeks to address some of the challenges this study confronted with respect to comparable data, while the second and third pertain more specifically to CED as an approach, and are grounded in some of the criticisms about the Manitoba NDP approach to CED explored above. The latter two recommendations echo those of other CED researchers, but this discussion will focus on applying these recommendations with specific reference to the challenges, as well as successes, outlined in the Canadian case that forms this study. In doing so, I will also return to the theoretical context of Power Resources Theory (PRT) to inform the recommendations in this final section of the discussion.

Recommendation 1: Improve and Coordinate Data Collection

A primary concern in this study is the extent to which existing data fails to adequately measure the effects of CED. As outlined previously, these concerns include the extent to which core concepts of CED are represented in data collection (e.g. environmental sustainability), the geographic scale of data collection (e.g. what data is available at the neighborhood level?), and the temporal coverage of the data that does exist. In making the case for the CED approach, solid

data is a key component in establishing the effectiveness of initiatives and policies implemented along CED goals and principles. A significant portion of the evidence base concerning the outcome effects of CED approaches in Canada are the results of program evaluations, and are thus tightly prescribed by the structure of the program itself (see for example: *SiMPACT* 2016; *Industry Canada* 2014; *Western Economic Diversification Canada* 2014). However, if the goal is ultimately to incorporate CED at the level of the state, which was ostensibly the aim of the Manitoba NDP's CED Lens, the ability to make the case for improved well-being across a range of factors is key. Further, the ability to compare the challenges and successes of CED initiatives in different places also relies on data comparability.

The importance of data leads clearly to a recommendation for more comprehensive data collection, as well as better coordination across organizations including governments concerning the kinds of data that are collected and when. However, the ability to collect suitable data requires the resources to do so, the ability to coordinate with other organizations to produce comparable measures in difference places, as well as valuing of the kinds of data required to measure, for example, the effects of CED. Community-level organizations operate within a given budget which makes the resource-intensive process of data collection challenging, and less of a pressing concern than, for example, front-line service provision. Large organizations with specific data collection mandates, like Statistics Canada, are vital sources for comparable data. Issues arise, however, in the kinds of data that large-scale organizations are engaged in collecting, particularly over time. Data collection is clearly informed by the goals and interests of the institution or group gathering the data. These goals and interests may change over time, particularly among governmental institutions, whose priorities shift according to changes in government leadership. One salient example in the case of Statistics Canada include the 2011

Census, which was made voluntary by the PC government led by Stephen Harper, leading to serious concerns over the representativeness of the data.

The recommendation for better/more comparable data is thus particularly challenging given a context wherein CED organizations may lack the resources necessary to engage in comprehensive data collection, and large-scale data collection organizations like Statistics Canada may lack a long-term interest in measuring areas relevant to CED organizations. A key priority for CED organizations should thus be, in their engagement with governments, to underscore the need for suitable data collection beyond program evaluation. Implementing a formal regime for collecting CED data across departments, within governments, would also potentially help to orient and incentivize the government bureaucracy towards optimizing CED approaches. Another potentially useful way forward, is to make existing data more accessible to those wishing to study CED. There are already some organizations engaged in building databases of indicators that align with the goals of CED. One example, is the Peg database, which aggregates various data sources to measure and report on community well-being trends in Winnipeg³. A potentially useful complementary action would be to coordinate with similar organizations in other cities and provinces to facilitate comparative research.

Recommendation 2: Develop/Maintain a Strong Mechanism for Community Engagement

One of the initial bright spots of the implementation of the CED approach in Manitoba was the appointment of CED advocates and organization leaders to key positions within the provincial government. This initial optimism was grounded in the assumption that having strong advocates within the government would bolster support for the CED approach, and that having former community members join the government would result in stronger ties with the

³ See <https://www.mypeg.ca/about/>

communities and CED organizations the NDP sought to support. However, over time, it became increasingly clear that despite the stated commitment to incorporating CED across departments, community consultation proceeded inconsistently across the government. As outlined by Enns (2018), departments that were already committed to community consultation did so, while those maintaining a skeptical stance to CED did not. Similar issues cropped up under the NDP leadership in British Columbia as well, with initial efforts at community consultation devolving in the face of inter-movement competition for funding, and the concern that appointing social movement leaders to government positions resulted in weakened movement leadership (Carroll and Ratner 2007: 49). A clear recommendation is thus to strengthen and formalize the relationships between government and community organizations and activists. Giving communities a significant say in the direction of their development is fundamental to the CED approach, and so a strong and consistent mechanism for community engagement is clearly vital to developing CED initiatives that are genuinely grounded in, and responsive to, the needs of the communities in question.

This recommendation also has a clear theoretical grounding within the PRT tradition. The organizational and institutional mechanisms by which the left can exert influence over policy formation, and encourage development according to CED priorities, include allying with a left-leaning party, mobilizing around electing them, and exerting continuing pressure on said party as they go about developing and implementing policy (Olsen 2002: 126). In the Manitoban case, the ability of CED practitioners and organizations to maintain influence was stunted by the lack of formal mechanisms by which to access government departments and influence their activities. Despite the presence of CED activists appointed within the government, the political power of these groups remained salient only to departments already engaged with the community (e.g.

Department of Aboriginal and Northern Affairs), while efforts to pursue inroads with less CED-inclined departments were largely unsuccessful. A key strategic goal for CED organizations is then to ensure that, in the process of exerting power resources to elect and influence a given political party, that formalizing specific mechanisms ensuring that community consultation be a centerpiece of that party's platform.

Recommendation 3: Build Community-Based Coalitions and Power Resource Capacity

The final recommendation I wish to outline draws on Cummings (2001) trenchant critique of market-based CED approaches and call to reclaim the CED approach as progressive political action grounded in community-based organizing (p. 458). By virtue of its position as an alternative to the dominant and firmly entrenched capitalist mode of development, CED requires energized, politically-engaged advocacy to make the case for its implementation. Pertaining specifically to the case of this study, there are two key features of the political histories of Manitoba and British Columbia through the timeframe of interest that illustrate the importance of coalition-building and cooperation across community groups. On the one hand, British Columbia provides an example of the problems that a lack of inter-movement coalition-building can present as groups engage with elected governments. Under the NDP, the input of community groups was initially solicited following the election, but these relationships deteriorated as a result of the competition for government funding which ultimately contributed to a decline in community consultation (Carroll and Ratner 2007: 49). By contrast, in Manitoba through this same period, under a right-aligned PC government, coalition-building between various organizations with anti-poverty mandates led to a coherent vision for CED in the province which would prove influential upon the election of the NDP (Enns 2018: 16).

The importance of coalition-building also has clear ties to the PRT tradition. PRT draws our attention to the fact that, under capitalist development structures, capital possesses the most significant ability to influence government, and in turn, development (Olsen 2002). However, the balance of power can shift if the left is able to mobilize its numbers to articulate, and exert pressure in favour of, alternatives. Within the CED context, as in the Manitoban example above, building relationships between organizations with common goals and priorities enhances the power resources of such groups. Further, developing and establishing these priorities with community members is key to gaining support and galvanizing community advocacy. This recommendation is particularly important in situations where the governing political party is unlikely to engage with the community. Mobilizing community members and organizations in the context of policy deprivation (e.g. under the Manitoba PC government) is key to maintaining political saliency and lending organizational and electoral support to parties more likely to develop supportive policy. Coalition-building should thus be a key priority for CED advocates.

Chapter 7: Conclusion

The focus of this study was to examine the extent to which state orientation makes a difference in CED-related policy environments and well-being outcomes in two Canadian provinces, Manitoba and British Columbia, during the timeframe of 1990 to 2010. To conclude this study, and to outline its overall contribution, I will return in this final chapter to the theoretical, empirical, and strategic objectives outlined in the introductory chapter. The theoretical goal was to provide a useful discussion of community economic development along two main theoretical traditions: the convergence hypothesis and Power Resources Theory (PRT). The empirical goal was to provide evidence that the political party in power makes a material difference, in terms of both the kinds of policies implements, as well as across a range of social and economic indicators. The strategic goal was to provide a set of recommendations that could prove useful for communities and states interested in implementing community economic development agendas. After reviewing the overall contribution of this study in light of these objectives, this chapter will conclude with suggestions for future research.

The theoretical objective structuring this project was to incorporate community economic development into a useful discussion within the context of two theoretical traditions: the convergence hypothesis and PRT. To accomplish this goal, this study began by outlining the CED approach, including how it differs from the dominant mode of capitalist development. This approach is, most notably, place-based, participatory, concerned with sustainability, and asset-based. In order for this alternative approach to succeed it requires that states be capable of implementing supportive policy. This context formed the basis of the theoretical discussion which established that within the convergence debate, states' ability to implement CED

supportive-policy under the pressures of globalization is in question. Finally, this theoretical discussion concluded by proposing PRT as an explanatory variable determining the latitude states maintain as they set about establishing the policy environments within their purview.

The empirical objective of this study was to assess whether modest differences in state orientation measurably mitigates capitalist power, both in terms of the kinds of policies implemented and the ensuing outcomes. Put differently, this study aimed to provide evidence that, contrary to convergence hypothesis, the political party in power remains salient, and states do not exclusively respond to the desires of capital as they set about establishing their policy and regulatory environment. The comparative analysis of secondary historical literature undertaken in Phase 1 of the analysis quite clearly established that different political parties governing in Manitoba and British Columbia pursued qualitatively different policies. Most notably, the New Democratic Party in Manitoba, which led the province from 1999 through the end of the timeframe of interest, pursued the most comprehensive CED-supportive policy environment in these provinces, through the timeframe. The social and economic outcome analyses in Phase 2 painted a less clear picture, with some enduring concerns over the level of inequality persisting in the provinces regardless of the orientation of the party in power. However, there is preliminary evidence that the “Have Not” province of Manitoba, and specifically the NDP that led the province, at a minimum kept pace with British Columbia through this period, and in some cases trended towards increased social and economic well-being. These results lend support to both the CED approach, and to the notion of enduring state latitude.

The final objective of this project was the strategic goal of establishing a set of recommendations that could prove useful for those wishing to pursue a CED agenda. The first recommendation outlined in this study was to improve and coordinate data collection. The

quality and comparability of data is a key concern in all research, and is particularly important in the context of CED, given the wide range of theorized effects of the approach. The second recommendation outlined in this study was to develop and maintain a strong mechanism for community engagement. This recommendation arises out of some of the critiques of the Manitoba NDP tenure in government, wherein community consultation was inconsistent across departments, and declined over time as the policy development process became increasingly insular. A formalized mechanism for community engagement ensures that proponents of the CED approach are able to communicate community needs effectively, and governments are able to maintain stronger ties with the communities they serve. The final recommendation outlined in this project was to build community-based coalitions to enhance the power resource capacity of the CED community. Building relationships between organizations and communities concerned with social, economic, and environmental well-being is key to mobilizing around shared goals and priorities, and exerting political influence to see policy supporting these goals and priorities are implemented.

Several of the limitations of this project clearly propose avenues for future investigation. First, as outlined previously, the outcome analyses of this project are intended as a preliminary assessment of trends in social and economic well-being in the provinces. Future research should investigate these trends with more sophisticated statistical techniques in order to fully specify the relationships between political party orientation and well-being. Second, a primary concern arising throughout the project is the availability of CED-relevant data. Several useful indicators were identified that did not ultimately meet the inclusion criteria, because it lacked either the temporal or geographic coverage. A full accounting of the varied effects of CED is vital to establishing a strong evidence base for the approach, so in light of the available data that could

not be compared between provinces during the timeframe of interest to this study, a province-specific case study approach is a potential avenue for future research.

A further limitation of this project was that outcomes were measured at the provincial level, which potentially underestimates or misses the full impact of community economic development. Examining outcomes in the geographic and demographic aggregate potentially smooths over differences among and between communities, as well as among and between social groups. Of particular concern is the extent to which CED-related policy builds the capacities of historically marginalized groups including, and of particular interest in the Canadian case, indigenous populations. Future research should prioritize analysis at a more fine-grained geographic scale, as well as within and between social groups.

The Canadian provinces provide considerable opportunity for future research concerning divergent policy constellations and outcomes. Provinces retain autonomy in setting their own policy agendas, but do so in the context of overarching national economic integration, making them particularly interesting targets for research within the convergence debate. Comparative work concerning CED-related policies specifically is also a fruitful area of research within the convergence debate. Theoretically, alternative approaches to capitalist development should be least likely to succeed within the constraints proposed by proponents of the convergence hypothesis. The viability of CED, and similar alternative approaches, in the provinces is thus a key test of convergence, and an important direction for future research.

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Appendix A: Percent Change Results

Table 1. Percent Change in Social and Economic Outcome Measures, 1990-2010

| | MANITOBA | BRITISH COLUMBIA |
|-------------------------------|---|--|
| Employment | PC: +2.94% NDP: +4.28% | NDP: -1.54% LIB: +3.19% |
| Unemployment | PC: -30.43% NDP: -15.91% | NDP: -18.31% LIB: -14.22% |
| Gini | PC: +3.10% NDP: +1.70% | NDP: +6.60% LIB: +3.50% |
| Income share: Top Quintile | PC: +1.99% NDP: +1.70% | NDP: +5.12% LIB: +2.74% |
| Income Share: Bottom Quintile | PC: -2.86% NDP: -3.53% | NDP: -23.03% LIB: +11.97% |
| Income Share Ratio | PC: +4.76% NDP: +5.42% | NDP: +37.32% LIB: -8.58% |
| LICO | PC: -5.61% NDP: -41.63% | NDP: +15.74 LIB: -24.12% |
| Unionization | PC: -7.29% NDP: 0.67% | NDP: -13.02% LIB: -13.11% |
| Core Housing Need | PC: -12.68% NDP: -15.35% | NDP: +1.35% LIB: -2.79% |

| | | |
|-------------------------|---|--|
| Shelter-to-Income Ratio | PC: -2.00% NDP: -2.04% | NDP: +9.05% LIB: +2.18% |
| Life Expectancy | PC: +0.39% NDP: +2.18 | NDP: +2.30 LIB: +1.20 |