COMMUNITY ECONOMIC DEVELOPMENT IN WINNIPEG'S NORTH END: SOCIAL, CULTURAL, ECONOMIC AND POLICY ASPECTS OF A HOUSING INTERVENTION

By

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Table of Contents

Acknowledgements vi

Chapter 1
Introduction 1

Chapter 2.
Equity or Growth? Public Policies for Appropriate Development in Winnipeg 6

Profile of Winnipeg's Development Issues 9
Population Change 11
Unemployment 11
Incomes 12
Housing 13
Processes of Inner City Decline 15
Decline and Urban Growth 17
Subsidized Growth 19
Unbalanced Growth 21
Ex-urban Growth 22
Taxes and Capital Costs 23
Taxes and Urban Sprawl 25
Managed Growth 26
Growth Management 29
Slow Growth 29
Winnipeg Economic Development Strategy 30
Taxation Strategies 35
Post-growth Condition 37
A Comprehensive Approach 38
Social Capital 45
Economic Diversity 46
Conclusion 47

Chapter 3

Neighbourhood Economic Development Strategy: William Whyte 51

Housing Market Theory of Neighbourhood Decline 53
Social Capital and Decline 55
Strengthening the Economic Structure 61

The Intervension Strategy 67
Homeownership 67
Access to Credit 70
Income Assistance 71
Building Social Capital 72
Employment Development 75
Social Capital and Neighbourhood Crime 77

Chapter 4

Community Economic Development and Aboriginal Culture 81

Aboriginal Perspectives on the Importance of Culture and Community Economic Development 82
Traditional Culture and its Significance for Contemporary Urban Aboriginal People 86
Aboriginal people as Fully Acculturated 88
Indigenous Views of the Relevance of Traditional Culture 97
Culture as a Political Organizing Tactic 98
Culture as the Centre of Social Development 100
Indigenous Development Versus Official Models 105
Wholistic Development 107
Social Characteristics of Subsistence Economies 110
Three Models of Urban Aboriginal Self-Government 114
Conclusion 120

Chapter 5

Housing Reinvestment in William Whyte: Impact Assessment 122

Quantitative Evaluation 123
Data Sources 126
Decline 127
Comparison 132

Nonparametric Test 134
Neighbourhood Focus 137
Procedure 138
Data Sources 139
Hypothesis 140
Assessment 141
Study Outcome 144
Decline 145
Reversal 146
Discussion 147
t-test 147
Results 148
Conclusion 149

Chapter 6
Housing Market Analysis 151

Data for William Whyte 154
Market History for an Individual Property 154
Aggregate Data 157
Asking Prices 158
Days to Sale or Expiry (DTS/X) 159
Average Difference Between Asking and Selling Prices 160
Ratio of Sales to Listings 161
Conclusion 164

Chapter 7
Employment Creation and Income Retention 166

Basic Needs 166
Retention of Housing Charges 168
Housing Charges 170
Community Assets 173
Emloyment Ceated 176
Crime Prevention Project 182
Renovation Financing 183
Lease-to-Purchase 186
Option to Purchase 187
Terms for Property Purchase 187

Chapter 8
Social Cost Benefit Analysis 191

Social Cost Benefit Analysis 192
Assumptions and Sources 192
Social Cost Benefit and Discounted Cash Flow Analysis 196
Unemployment Status 198
Adjusted Cash Flow 199
Impact on Government Revenues 201
New Revenues 205
Transfer Payment Savings 206
Net Cost of Subsidies for Housing and Employment Creation 207

Chapter 9
Explorations in Urban Aboriginal Neighbourhood Development 211

Epistemological Issues 215
Epistemology 216
Participatory Action Research 218
Description of the Research Process 220
Research Method 223
Culturally-based Design 223
Appropriate process 224
Themes 225
Disconnection 226
Withdrawal in William Whyte 230
Community Children's Cultural Development 238
Institution Building 244

Chapter 10
Community Building in William Whyte 246

Methodology 247
Analysis 251
Housing satisfaction 254
Positive and Negative Aspects of William Whyte 257
Neighborhood Safety 260
Social Capital 262
Neighborhood Improvements 264
Interventions 265
The Strength of Weak Ties 268

Chapter 11
Implications for Neighbourhood Renewal 273

References 273

Appendicies

Appendix A - Significance Levels for *t*-test Scores
Appendix B - *t*-test for Housing Prices for Each Street
Appendix C - Interview Schedule for Residents

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CHAPTER 1

Introduction

The work of the North End Housing Project (NEHP) was an attempt to apply a number of theoretical orientations to the problem of decline in an inner city neighborhood of Winnipeg. Although the focus of the program was housing, NEHP moved well beyond this focus to address problems of neighbourhood distress in an integrated and multidimensional way. It used a cluster strategy in housing development to create a critical mass of new residences that could have an impact on neighbourhood housing markets. It took a convergence approach to community economic development that directed local production to meet local basic needs. The project used the concept of social capital to build social ties among neighborhood residents, to provide mutual support among families, and to enable the community to address its needs more effectively. Finally, the project engaged with Aboriginal residents to explore a cultural basis for community building and to acquire the means to influence neighbourhood affairs.

NEHP's work was set in a context of citywide policies that contribute to the process of core area underdevelopment. These policies intrinsically subsidize suburban sprawl, accelerate core area population loss, and discourage inner city housing investment. While analysis of such policies was critical to understanding the dynamics of decline, advocacy for their change was beyond the scope of this small nonprofit housing initiative.

The pages that follow describe this comprehensive approach to neighbourhood development. The initial chapter traces the policy context and urban expansion dynamics that contribute to core area decline. It is followed by a discussion of potential strategies for addressing decline at the neighbourhood level. These include the economic, social, cultural, and physical dimensions of renewal.

Central to these strategies is the concept that decline is initially driven by neighborhood housing markets. Significant tracts of worn-out housing serve to concentrate low income families in geographic localities. The result is a compounding of social stresses related to poverty. Because of this key role in shaping the quality of neighbourhood life, housing can also be a critical intervention point for renewal. If a sufficient mass of renovated housing can be developed in a given locality it can have an impact on neighbourhood housing markets and stimulate a cycle of reinvestment that may ultimately help to modify the social reality of the community.

The benefits of rebuilding housing can be compounded further by combining renovation with a strategy of community economic development in which local production is directed to meet local basic needs. NEHP attempted this primarily by creating homeownership for residents, and by employing and training unskilled local residents to carry out all of its renovation work. Such a convergence of production with local need can strengthen the economic linkages within a community and ensure that resources flowing into an area circulate to the fullest extent possible and maximize creation of community assets, skills, and jobs.

NEHP's program was expected to contribute not only to affordable shelter, but also to increased neighborhood stability and enhanced social support among neighbours. Such informal ties and social support have been empirically linked to benefits in health, parenting practices, educational outcomes for children, neighbourhood crime levels, and access to employment and educational opportunities. Some of this mutual support was created by the program spontaneously. Some was intentionally promoted by NEHP's outreach program.

While housing markets impact the character of community, improvements to community life can also impact housing markets. As the social climate of neighborhoods becomes more attractive, homebuyers are more willing to purchase there, and homeowners have greater incentives to make improvements to their properties. The social and the structural dimensions of neighborhoods are therefore interrelated, and can create mutually reinforcing positive dynamics.

Of particular relevance to the social strengthening of community was the presence of a relatively large Aboriginal population in William Whyte. Aboriginal residents make up thirty-eight per cent of the total population of the neighborhood. This study found that Aboriginal residents held distinct cultural value orientations, and that they preferred to build community in a pattern that was quite distinct from mainstream residents. The intentional redevelopment of neighborhood housing and social linkages in William Whyte provided an opportunity for Aboriginal residents to pursue a more culturally-based community and to acquire a measure of self-determination in neighborhood affairs.

The study was, in many ways, an example of participant observation. The author was a member of the Board of Directors of NEHP and of Inner-City Renovations, Inc. The author was on the Boards of both organizations from their inception until the completion of the study. This position within the decision-making process of these programs permitted insights into evolution of strategies and gave access (with permission) to the organizational data included in the study. The result provides a detailed review of development planning and outcomes.

Having outlined theoretical orientations to appropriate neighborhood development, the study focused on measurement of the impact of NEHP in the William Whyte neighbourhood. The evaluation of the initiative began by assessing the effects of NEHP's cluster approach on local housing markets. NEHP was attempting to raise neighbourhood property values to create incentives for collateral housing renovation and reinvestment. The study measures changes in neighborhood housing prices on a street-by-street basis over an eight-year period. Such an assessment required the creation of a custom database of housing sales for the locality. The findings suggest that the work of NEHP may, indeed, have had an impact on housing prices in William Whyte.

The study assesses the community economic development dimensions of NEHP's work. It traces patterns of community income retention, community asset accumulation, and equity buildup for individual families. A social cost benefit analysis shows that creating work for previously long-term unemployed residents generated savings for government in welfare payments and other transfers, and it created new tax revenue through the payment of income taxes and sales taxes. Nearly half the costs of the subsidies for renovated housing were returned to the public treasury through the creation of employment for previously unemployed neighborhood residents.

The study undertakes a qualitative assessment of community building efforts in the William Whyte neighborhood. Interviews with residents of NEHP housing show that neighbours were beginning to recognize the effects of neighbourhood stability on their sense of control over neighbourhood affairs, and on their sense of social support from others in the locality. Interview data show that homeowners outside the NEHP program were beginning to make investments in their properties because of perceived improvements to the resale values of their homes.

The Aboriginal population of William Whyte indicated an interest in pursuing culturally-based community building. The vision involved not only the recovery of teachings and traditions, but an exploration of culturally-based neighborhood decision-making and institutions. Such culturally-based community development is a rare phenomenon among urban Aboriginal residents, and offers significant potential to improve their position in urban settings.

The NEHP approach was experimental. It attempted to combine a number of development strategies within one integrated program. It was able to channel significant public resources not only into affordable housing, but also into economic development, community-controlled organization with no government appointees to its board. By integrating economic, social, cultural, infrastructural initiatives, the project attempted to achieve outcomes that would exceed the sum of its strategic parts. The evidence suggests that this is beginning to occur.

CHAPTER 2

Equity or Growth? Public Policies for Appropriate Development in Winnipeg

The city of Winnipeg has had a long, and in some ways unique experience with economic development planning. Periodically the city has commissioned economic development reports that have attempted to identify its unique competitive advantage in a globalized economy (Price Waterhouse, 1990; McNeal, Hildebrand, and Associates 1978). More uniquely, Winnipeg has also implemented a series of focused economic development initiatives designed to address inequitable and disturbing symptoms of inner city economic decline. The most significant of these redevelopment programs has been the Winnipeg Core Area Initiative (CAI) (Decter and Kowall, 1990; Kiernan, 1987a; 1987b).

These two kinds of programs have been implemented with varying degrees of consistency and success. It is evident, however, from Winnipeg's record of virtually static economic and population growth, and from the intensifying pace of core area decline, that these strategies have yet to prove fully successful. Some argue that more diligent efforts are needed to attract niche industries and to adopt business-friendly taxation policies to reignite the city economy (Winnipeg Chamber of Commerce, 1999; Holle, 1999a, 199b; Price Waterhouse, 1990). Others have called for a comprehensive program of core area reinvestment involving housing renovation, human and social development, and revitalisation of inner city businesses (Kriener, 1999; Simms; 1998).

This dissertation will argue that neither of these approaches - alone - will be sufficient to redress core area decline, or to produce balanced economic growth for the city as a whole. Growth stimulation programs have - at very best - had quite limited success in achieving rapid economic expansion, or in slowing inner city decline (Krumholz, 1999; Bates, 1997; Loveridge, 1996; Bee, 1994). In the limited number of cases where economic stimulus strategies have achieved rapid growth, the benefits have often not been well distributed. Many cities have seen rapid overall expansion accompanied by continued core area decline, growing inner city unemployment, and increasing poverty (Krumholz, 1999; 1991; Orfield, 1997; Shuman, 1997; Drier, 1996).

Reinvestment policies, by themselves, have also frequently failed to achieve their intended objectives (Worth, 1999; Modarres, 1999; Leo, 1998 a; Nowack, 1997). The Winnipeg Core Area Initiative may be considered a significant example. The program mobilised over half a billion dollars of public and private investment ($266 million public, and $240 million private) (Decter and Kowal, 1990) and implemented 10 comprehensive programs for social and infrastructural renewal. The Initiative added 550 units of housing to the core area, it trained 5,121 core area residents, and provided financial support to 314 community services and facilities (Carter, 1991; Decter and Kowal, 1990; Winnipeg Core Area Initiative, 1992). The Initiative has frequently been cited as a particularly successful and unprecedented example of cooperation among three levels of government.

In terms of its overall impact on the processes of core area decline, however, the Initiative has been less than successful. Census data on core area conditions show that decline was more serious by 1996, five years after the Core Area Initiative was completed, than it was in 1981 before the program began. The pace of this deterioration appears to be accelerating.

The Initiative achieved a number of specific, project-level goals. It did not succeed, however, in triggering self-sustained processes capable of reversing the dynamics of central city decline. This raises serious questions about the level of public resources, and the scale and comprehensiveness of programs, that will be needed to address inner city problems.

This study will argue that for core area development to take place, policies for inner city reinvestment must be combined with policies for management of overall growth across Winnipeg's entire urban system. It will contend that the forces that drive central city decay are inextricably linked with policies and processes that facilitate rapid residential expansion at the city's suburban fringe. Only when the issue of balanced urban development is addressed can one expect incentives to operate in favour of extensive reinvestment in Winnipeg's inner city and, as a consequence, can one further expect public resources to become available for adequate rehabilitation. This dissertation will describe a set of policies to promote such managed growth. It will then draw on urban economic development experience from across North America to propose a set of complementary policies for strategic reinvestment in the city's core area.

Having addressed concerns at the level of public policy, the study will then describe a specific strategy in one program, the North End Housing Project. This project is one example of the type of programs that will be needed in clusters across the core area. The project combines housing renewal with a focus on rebuilding the neighbourhood economy and its social and cultural fabric. Finally, the dissertation will focus on one specific concern, the need to adapt community economic development to the cultural orientation Aboriginal persons who makeup a large minority of neighbourhood residents.

Profile of Winnipeg's Development Issues

Urban decline is typically measured in terms of a series of indicators that portray the decay of community infrastructure and the depletion of resources from neighbourhoods (Leo et al, 1998a; Broadway, 1998; Committee on Economic Development, 1995). These indicators include loss of population, deterioration of housing, loss of business investment, the increasing concentration of vulnerable families in geographic areas, high rates of unemployment and poverty, and the intensification of social problems such as crime, substance abuse, and family violence. The Committee on Economic Development (CED) (1995, p.3,11-12) has argued that the process of decline is compounding and self-reinforcing.

Decter and Kowal (1990) describe the conditions in Winnipeg's inner city that led to the implementation of the Winnipeg Core Area Initiative:

> The core area exhibited the classic signs of urban decay: increasing out-migration from the region, with a trend toward an unskilled and uneducated population; serious deterioration of the available housing stock and of the quality of neighbourhood life; and an increasingly less active business community in which the trend was toward seeking better business opportunities available outside of the core area.

The purpose of the CAI was to set in motion process that would reverse this spiral of decay (Winnipeg Core Area Initiative, 1992; Lyon and Fenton, 1984; Levin, 1984). Although appropriately cautious in its predictions, the program did anticipate that significant public investment would stimulate corresponding private investment, and in turn restore the attractiveness of the core area as a place for commerce and residence (Decter and Kowall, 1991; Clatworthy, 1988). The final report of the Initiative accounts for the failure to trigger such parallel investment largely in terms of the two economic recessions that occurred during, and immediately after, the program (Winnipeg Core Area Initiative, 1992).

Others explain the failure in terms of faulty assumptions and the inadequate scale of the project. In a prescient comment on the program in 1984, Earl Levin, former Planning Commissioner for the City of Winnipeg, and Director of City Planning at the University of Manitoba, stated

> The Initiative will fail to revitalize the core. Neither will the North Portage Project revitalize the core ... the area of downtown deterioration is too extensive, and its nature too complex, and the redevelopment proposed too small in scale and too simple in structure for it to be able to generate a strong surge of new vitality throughout the entire downtown ...
>
> The condition of the core area is symptomatic of a much more deep-seated endemic malaise from which the city as a whole is suffering.

The accuracy of Levin's predictions is borne out by current empirical data on the core area. The indicators show that the process of decline has continued unabated, and its intensity is now increasing.

The data presented in following tables show conditions in Winnipeg's core area from the most recent census in 1996. These are compared with equivalent data for 1981. The tables present a picture of the inner city before the major investments of the WCAI, and for the five-year period immediately following its completion. For these data, "core area" refers to the 25 census tracts encompassed by the boundaries of the WCAI in its first phase (Klos, 1996) These boundaries were extended slightly in the second phase. The data show that the indicators of decline are substantially more serious in the most recent census than they were in 1981.

Population Change

Loss of population is a key indicator of decline (Krumholz, 1999; Leo et al. 1998a; CED, 1995; Dector and Kowall, 1990). The Winnipeg core area lost population for three of the four census periods after 1981. The cumulative loss for the two decades is -11.5 per cent. By comparison, the city of Winnipeg, as a whole, gained population over the period for a cumulative increase of 15.4 percent. While this growth is not dramatic (averaging .77 percent annually) it nevertheless reflects moderate development.

Eight census tracts in the inner city lost over -20 percent of their population for the period 1976 to 1996. Four of these lost over -35 percent. Population loss increased dramatically for most core area census tracts from 1991 to 1996 after the termination of the Core Area Initiative.

Table 2.1 Population Change - Winnipeg, the Core Area, and Selected Census Tracts1976 to 1996

	Gain/Loss (per census period)				Total Gain/Loss for period
	76-81	81-86	86-91	91-96	76-96
City of Winnipeg	1.1	5.6	5.6	1.0	15.4
Core Area	-9.5	4.1	-2.0	-4.1	-11.5
Census Tract 34	-12.3	-7.1	-9.0	-13.1	-35.6
Census Tract 13	-22.2	-2.9	-10.8	-4.8	-35.8
Census Tract 26	-20.6	2.5	-5.4	-19.2	-37.8
Census Tract 33	-25.8	3.6	-2.7	-13.7	-35.5
Census Tract 28	-7.0	1.4	-7.1	-10.5	-16.9
Census Tract 22	-3.0	4.0	-4.6	-17.9	-21.1

Source: Statistics Canada, 2000

Unemployment

Core Area unemployment rates have typically been higher than those for the city. This disparity, however, is growing. Unemployment rates were 57 percent higher than the city rate in 1981, 87.1 percent higher in 1986, and 109 percent higher in 1991. By 1996 core area unemployment was 175 percent higher than that for the city. In six census tracts the unemployment rate was over 300 percent higher, or four times the city average.

Table 2.2 Unemployment Rates - Winnipeg, the Core Area, and Selected Census Tracts 1981 to 1996

	Unemployment Rates			
	81	86	91	96
City of Winnipeg	5.1	7.8	8.5	6.7
Core Area	8.0	14.6	17.8	18.4
Census Tract 26	8.6	18.2	24.3	32.7
Census Tract 34	10.6	18.1	23.7	29.2
Census Tract 22	8.6	22.1	25.8	28.2
Census Tract 43	10.7	17.2	24.2	26.1

Source: Statistics Canada, 2000

Incomes

Table 2.3 compares core area incomes to the city average. In 1996 average family income in the core area at $34,138, or 58.6 percent of the city average of $58,221. In communities such as Logan and Spence (census tracts 25 and 22) average incomes were $23,835 and $23,482 respectively, or just over 40 percent of the city average. While average income for Winnipeg rose by 3.1 percent over the period, average incomes for the core area declined by -10 percent. In census tracts 22 and 33 income loss was -29.7 percent and -30.1 percent respectively.

Table 2.3 Family Incomes in Constant (1999) dollars - Winnipeg, the Core Area, and Selected Census Tracts 1981 to 1996

	Average Family Incomes In Constant (1999) dollars				Increase/Decrease In percent			
					Census Periods			Cumulative
	81	86	91	96	81-86	86-91	91-96	81-96
City of Winnipeg	56,464	58,848	60,980	58,221	4.2	3.6	-4.7	3.1
Core Area	37,936	37,097	37,482	34,138	-2.2	1.0	-9.8	-10.0
Census Tract 25	28,474	23,589	22,178	23,835	-17.2	-6.0	7.5	-16.3
Census Tract 22	33,392	27,260	25,038	23,482	-18.4	-8.2	-6.2	-29.7
Census Tract 33	39,488	34,929	29,751	27,568	-11.5	-14.8	-7.3	-30.1

In 1986 22.2 percent of income flowing into core was derived from government transfers. By 1991 the figure was 25.2 percent and by 1996 it was 30.2 percent (Statistics Canada, 2000). In 1986 there were only three census tracts in the core area where more than 30 percent of income was derived from government transfer payments. By 1991 there were eight such census tracts, and by 1996 there were thirteen. Table 2.4 shows the percentage of income derived from transfer payments for Winnipeg, the core area, and selected census tracts for the last three census periods.

Table 2.4 Percent of Income Derived from Government Transfers - Winnipeg, the Core Area, and Selected Census Tracts 1981 to 1996

	Percent of Income from Transfers		
	86	91	96
City of Winnipeg	10.2	11.5	13.6
Core Area	22.1	25.6	30.2
Census Tract 34	41.8	51.4	53.2
Census Tract 25	34.3	41.4	47.4
Census Tract 43	31.8	38.2	43.6
Census Tract 36	41.6	37.5	42.3

Housing

Housing in the inner city of Winnipeg follows trends that are similar to population, employment, and incomes. Housing values rose in Winnipeg in real terms by 11.9 percent from 1981 to 1996. In the core area these values stagnated, showing only a 1.1 percent increase for the period (Statistics Canada, 2000). While this figure shows the lag in values between the city and the core area, these averages mask some very serious losses that occurred in specific localities. Census tracts 22, 25, 34, and 35, for example, lost value ranging from -12.2 percent to -19.6 percent for the period (see Table 2.5).

Table 2.5 Housing Values - Winnipeg, the Core Area, and Selected Census Tracts 1981 to 1996

	Housing Values In Constant (1999) dollars				Increase/Decrease In percent Census Periods			Cumulative
	81	86	91	96	81-86	86-91	91-96	81-96
City of Winnipeg	94,657	108,592	117862	105,943	14.7	8.5	-10.1	11.9
Core Area	63,797	67,988	80,729	64,526	6.6	18.7	-20.1	1.1
Census Tract 22	67,346	60,627	75,931	55,537	-10.0	25.2	-26.9	-17.5.
Census Tract 25	53,632	76,943	65,532	44,795	43.5	-14.8	-31.6	-16.5
Census Tract 34	66,997	67,012	68,613	53,879	0.0	2.4	-21.5	-19.6
Census Tract 35	57,219	61,386	78,389	50,259	-11.5	27.7	-35.9	-12.2

A much more serious pattern appears within this time period. From 1991 to 1996 housing values fell across Winnipeg by -10.1 percent. For the core area these recent losses were much more precipitous. Housing values fell in the core area by -20.1 percent from 1991 to 1996. Four census tracts in the core lost between -30.7 and -36.2 percent. Table 2. 5 presents these data.

Not only are housing values rapidly falling, but the number of structures in the core area is declining and the extent of deterioration is spreading. The number of dwellings in Winnipeg increased from 1981 to 1996 by 20.6 percent. They increased in the core area by a much more modest 1.4 percent. This net increase for a fifteen-year period masks a recent trend over the last two census periods. From 1986 to 1996 the core area lost 860 units or 2.0 percent of its stock. The loss of structures accelerated in the last census period sevenfold.

This loss in absolute numbers of units is accompanied by rapid spread of deterioration. In 1981 there were six census tracts in the core area in which structures in need of major repair exceeded 10 percent of the stock. By 1991 there were 17 such census tracts. By

1996 there were 19. In must be remembered that deteriorated structures are more likely than others to be demolished so that, with the net loss of units, it is likely that these figures understate the spread of deterioration.

Each of these measures of urban decline tends to reinforce the same conclusion. Inner city decline, by every accepted measure, was substantially worse in 1996 than it was in 1981, prior to the Core Area Initiative. Since 1991 decline has accelerated. A recent study of 22 inner cities across Canada found that deprivation levels in Winnipeg were the highest of any such locality in the country (Broadway, 1998). Since the study was based on 1991 census data, it is possible that the disparity between Winnipeg's core area and other inner cities in Canada has grown even worse.

Processes of Inner City Decline

The process of inner city decline follows a fairly well-recognized pattern in cities across North America. Most observers argue that process is complex and multifaceted, but that the quality and age of housing stock is a critical factor (Krumholz, 1999; Downs, 1999; 1994; Blair, 1995; Orfield, 1997; Lyon and Fenton, 1984; Drier, 1996, Goetz, 1996).

As Downs (1999, 1994), Krumholz, (1999) Orfield (1997), Lyon and Fenton, (1984) argue, decline typically begins in the oldest residential districts of cities. As central city housing begins to age and wear out those residents who have economic options move to newer, more attractive housing at the city's suburban edge. This leaves the older housing to those residents of lesser economic means. In this way the housing market "filters out" the more affluent residents of older neighbourhoods and concentrates low income families in geographic areas often in the central city (Blair, 1995). Such concentration tends to compound the social stresses that accompany poverty such as family breakup, substance dependency, and school attendance problems (CED, 1995; Wilson, 1996). These stresses in turn, exacerbate poverty (Wilson, 1996). The more social stresses that concentrate in a neighbourhood, the less attractive the area becomes to residents so that stress creates avoidance, and further outmigration. Increasingly, those who have economic options abandon such areas.

Since low income families are much less able than others to finance homeownership, housing tenure in deteriorated neighbourhoods shifts increasingly to a rental basis. In Winnipeg's core area 71 percent of housing is rented, compared with 29.6 percent in non-core areas (Statistics Canada, 2000). Rental properties generally are repaired and maintained only in relation to their potential to generate revenue. But since the need for maintenance increases with the age of the housing, and rents decline, there is a tendency for older rental housing to receive diminishing levels of care. Eventually these structures wear out to the point where their rents no longer justify major maintenance. Landlords will often rent such properties for whatever revenues they can generate and allow deterioration to run its course (a practice known as "milking" (Taub, 1994)). When the structures become unusable they are simply left vacant. There are currently 735 vacant houses in the core area of Winnipeg (Winnipeg Free Press, March 11, 2000, pA1).

As properties in an area deteriorate they depress housing prices for a whole neighbourhood. Average housing prices in Winnipeg's North End have fallen from $40,000 in 1988 to $22,000 in 1998 (Winnipeg Real Estate Board cited in Harris and Scarth, 1998). This fall in prices creates a disincentive for all homeowners in a locality from undertaking costly repairs. The resale value of homes may no longer justify significant investment. Thus the decline of a few properties in a community imposes external costs on all properties in the neighbourhood, and decline spreads from one community to adjacent areas.

Where resale values are low, and where insurance claim rates are high, financial institutions and insurance companies often "redline" neighbourhoods. They draw a figurative red circle around localities that have poor resale rates and high levels of insurance claims. Ten major insurance companies redlined eight postal zones in Winnipeg's core area in 1996 (Winnipeg Free Press, March 22; 1996, p. A1-A2). Under pressure from the media these companies later agreed to underwrite properties on a rotating basis, or to charge a 25 percent premium for inner city properties.

The property tax base of declining areas is so low that municipalities have difficulty improving services and providing facilities. This underinvestment further contributes to the decline of community life, further spurs outmigration, and further depresses housing values. Again the processes are mutually compounding.

Decline and Urban Growth

The process of decline is closely linked with the process of suburbanisation (Downs 1999, 1997; Krumholz and Keating, 1999; Orfield, 1997). As new, more attractive housing is built on the suburban fringe, inner city residents are attracted away to new localities. This process is sensitive to the cost of renovation and repair in the central city compared to that of new homes in the suburbs (IUS, 1990; Blair, 1995). Lyon and Fenton (1984) have shown that a filtering process, and middle class suburbanization, have been characteristic of Winnipeg's development since the city was incorporated in 1873. Construction of four bridges in the 1880s and '90s, and the building of the Winnipeg Street Railway made possible the development of affluent suburbs such as Armstrong Point, Fort Rouge, and Wellington Crescent, and more middle class suburbs such as St. James, St. Vital, and St. Boniface. Zoning restrictions, lot size requirements, construction specifications, and minimum housing costs served to set aside such localities for more economically affluent residents (Lyon and Fenton, 1984). No home in Crescentwood, for example, could cost less than $3,500 when middle class homes of the period were constructed for $2,000 or less. Houses on river frontage were placed on lots of 91 metres in depth with a minimum construction cost of $10,000. Alan Artibise (1977) writes

> Developers, in contrast to the North End, clearly thought of these areas as desirable residential locations. With wider streets, larger lots, and building restrictions only the more affluent of Winnipeg's residents could move to these areas.

Lyon and Fenton (1984) show that property transactions within such communities continue to require conformity to original community building restrictions and that deviations from such restrictions are permitted only with a waiver from city council. Current policies, therefore, continue to maintain the economic stratification of Winnipeg's neighbourhoods.

Not only do zoning restrictions ensure the exclusivity of suburbs as residential areas for the affluent but, as the next section will show, public policies also serve to subsidize and stimulate the growth of suburban areas. This creates economic incentives for greater abandonment of the city's core area.

Subsidized Growth

In 1991 The Institute of Urban Studies produced a background paper on policies designed to manage Winnipeg's urban growth. The Institute assessed the argument, often put forward by developers, that newly constructed suburbs "pay for themselves" through new city revenues. The Institute also discussed the concept that urban fringe developments are the best sites for new localities because home buyers seek a community of interest through standardized development patterns in new localities. New suburbs are therefore said to conform to the homebuyers' wishes more appropriately than the mixed amenities of older revitalized core area neighbourhoods (Institute of Urban Studies, 1991).

Regarding the revenue generating potential of new developments, the Institute showed that developers are required to submit a Financial Impact Analysis (FIA) that estimates both the capital costs to be incurred by the new development, and new revenues for the city that are expected to be generated. The Institute outlined the specifics of the FIA for 1990. Leo, et al (1998a) indicates that these specifics have not changed as of 1998.

On the cost side of the analysis, three types of capital items are taken into account in an FIA. These are street expansion, sewers and water mains, and new parks (Leo, et al., 1998a; IUS, 1990). Other capital expenditures that residents will reasonably expect when the neighbourhood is developed, are not included in the cost estimates. These include fire halls, libraries, schools, recreation centres, sports fields, and swimming pools, and police stations (Leo, et al., 1998a; IUS, 1990). These large capital costs are not borne by developers, nor are they passed on to the purchasers of new homes. Instead they are carried by all taxpayers in the community.

There are also considerable operating costs for new developments that are not calculated in the Financial Impact Assessment. Only those operating costs that are expected to be "unusual" must be identified in the FIA. No account must be given of "usual" operating costs such as snow clearance, street maintenance, transit operation, garbage collection, fire fighting, library services, and the operation of schools (Leo, et al., 1998; IUS, 1990). In Island Lakes, for example, the city had to operate transit services to the community at a loss for several years until population grew to the point where revenues paid for the service (Leo, Brown, and Dick, 1998). Because revenues from a locality depend to some extent on employment levels and commerce in the area, and costs are incurred by both provincial and municipal levels of government, there is currently no standard way of assessing the overall costs and revenues from new developments. The Institute of Urban Studies (1991) concludes

> taxes and charges from suburban development are probably not generating the revenue surplus required for maintenance ...
>
> The view that low density suburban development is somehow revenue generating does not appear to be tenable in the North American context. There is no evident reason why this would be any different in Winnipeg. (p.31)

The creation of new neighbourhoods that cater to homogeneous groups also creates a "vicious circle of waste." for the city. As older neighbourhoods lose population the city must continue to maintain underutilized infrastructure such as schools, streets, and community centres. At the same time new services must be installed in newly developed areas. This places a major strain on city infrastructure costs.

It is clear that by undercharging for capital and operating costs of new localities the city and province effectively subsidize the outward expansion of the city. These subsidies reduce the cost of home purchases in the suburbs relative to that of renovation or infill construction in the core area. Thus the city is effectively subsidizing the abandonment of this central city while undermining its ability to service the urban system. As a later section will show, the government Manitoba has also been subsidizing growth beyond the city's boundaries.

Unbalanced Growth

The Map in Figure 1 shows population change in Winnipeg over the five-year period from 1991 to 1996. Population loss is shown in maroon, magenta, and dark blue. Population growth is shown in green, yellow, orange, and red. Maroon indicates losses from -19.2 and -12.6 percent. Magenta shows losses between -12.6 and -5.9 percent; and blue shows population change between -5.9 and 0.7. Yellow, orange, and red show population gains of ranging from 20.6 percent to 40.5 percent. The map shows that population loss is characteristic of the majority of neighbourhoods in the city of Winnipeg. There are 157 census tracts in the Winnipeg CMA. Of these, 97 lost population from 1991 to 1996. The loss is particularly intense in the city's core area. The most drastic loss is on either side of the CPR tracks and along Sherbrooke Street to the south. The most intensely ravaged communities are Lord Selkirk Park, North Point Douglas, Logan, Centennial, and Spence.

Sixty census tracts in Winnipeg had positive growth. However, 13 grew at less than the city average of 0.2 percent annually. A further 37 grew at less than 2 percent per year. While population growth was negative or moderate for most of Winnipeg neighbourhoods, 10 census tracts grew at a remarkable pace. Five of these grew at over 20 times the city average, and two grew at over 40 times the city rate. These high growth census tracts are shown on the map in yellow, orange, and red. Table 2.5 shows Winnipeg's high growth census tracts and the neighbourhoods to which they roughly correspond. The pattern is clearly one of exodus from the bulk of the city and growth at the fringes.

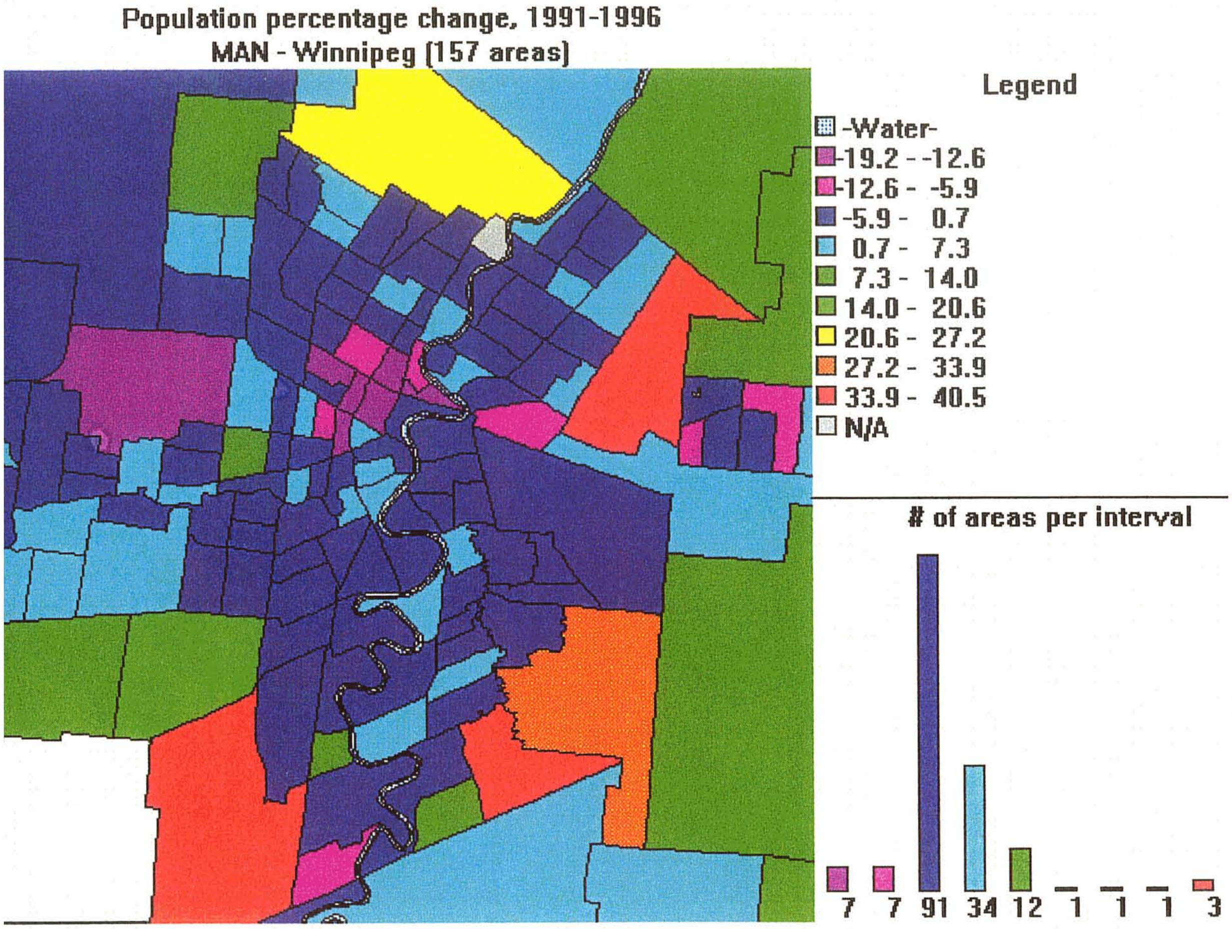
Table 2.6 Rapid Growth Census Tracts - 1986-1996

Census Tract	Neighbourhood	Population Growth			
		1986 - 1996		1991 - 1996	
		Increase #	Rate %	Increase #	Rate %
CT 500.03	Richmond West	6,947	130.6	2,897	40.5
CT 140.03	Peguis	3,453	256.6	1,241	40.4
CT 100.04	River Park South	5,927	149.5	2,183	34.9
CT 110.03	Island Lakes/Royal Woods	5,263	90.1	1,987	28.7
CT 560.03	Leila North/Old Kildonan	4,377	106.5	1,284	21.4
CT 510.01	Whyte Ridge/Linden Woods	4,991	238.6	1,068	19.2

Ex-urban Growth

Statistics Canada also reports rapid population growth beyond the city limits in Winnipeg's Capital Region. The Map in Figure 2 illustrates this growth. The highest rates of growth were in East St. Paul and St. Clements. Most of these ex-urban communities received extensive subsidies from the province of Manitoba. In 1998, for example, the province provided grants to the rural municipality of Headingly totaling $9.3 million. With a population of 1,600, such grants averaged $5,800 per person in the community. The Winnipeg Free Press pointed out that if such a per capita grant were made to the city of Winnipeg it would total $3.6 billion - enough to eliminate the city's entire debt (Winnipeg Free Press, Jan. 28, 1999). $2.4 million of the grant was for water and sewage, $600,000 was for a treatment plant, and $6.3 million was for a bridge.

ure 1


Population percentage change, 1991-1996
MAN - Winnipeg (157 areas)
Legend
-Water-
-19.2 - -12.6
-12.6 - -5.9
-5.9 - 0.7
0.7 - 7.3
7.3 - 14.0
14.0 - 20.6
20.6 - 27.2
27.2 - 33.9
33.9 - 40.5
N/A
# of areas per interval
7
7
91
34
12
1
1
1
3

urce: Statistics Canada, 2000

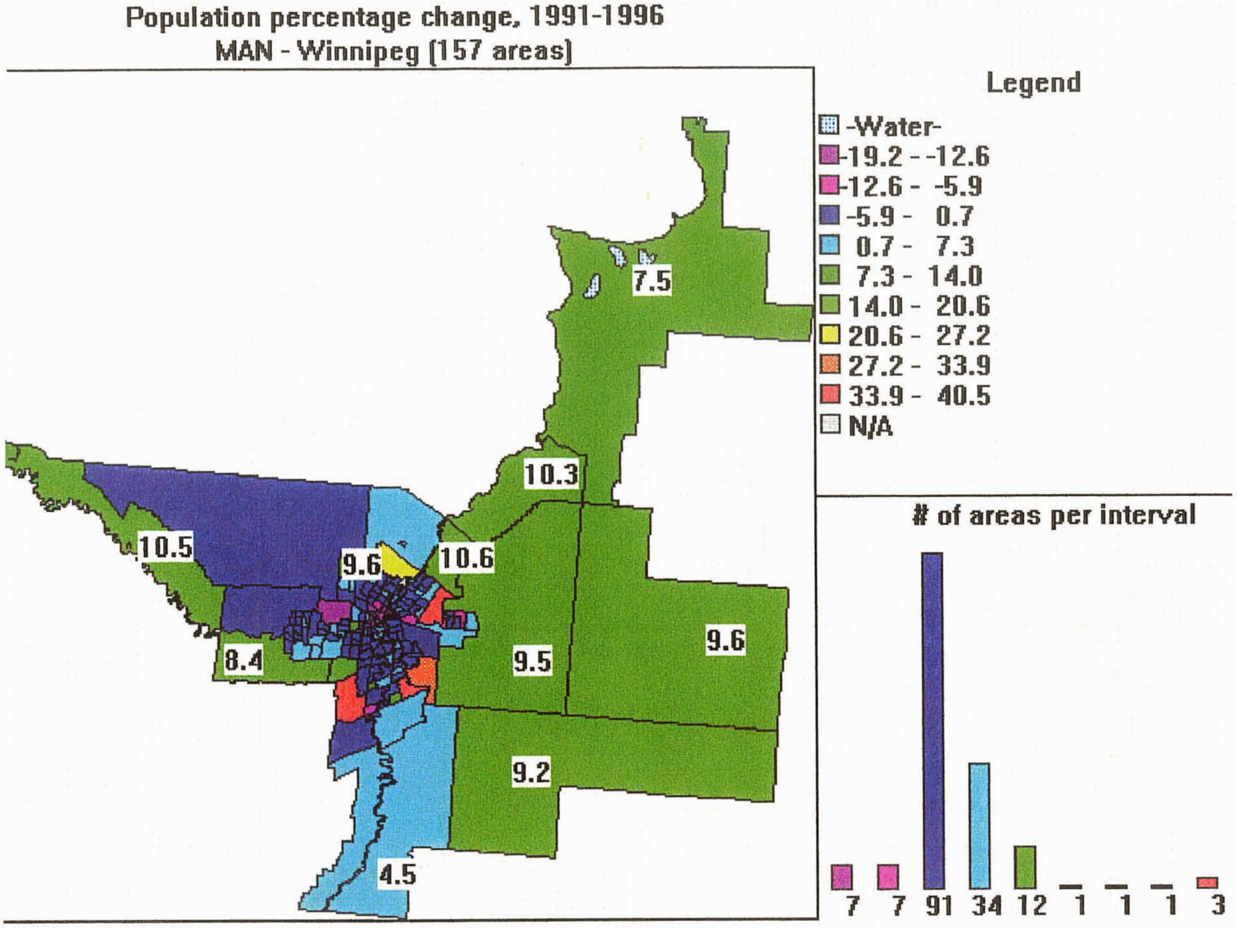
Water is a critical resource for housing development. The province supplied water treatment plants not only to Headingly, but also to the R.M. of MacDonald at a cost of $5.4 million. MacDonald's new suburbs of Oak Bluff, La Salle, and Kingwood, just beyond the city boundary, are now the fastest-growing communities in Manitoba (Winnipeg Free Press, Jan. 28; Feb. 1; 1999). Of new schools built or expanded in the capital region, half were in the ring outside Winnipeg, where only 12 percent of the area's population resides.

The city of Winnipeg recently decided to provide a sewer connection to the town of Headingly. The city's planning committee is now considering a request from a developer of commercial properties that the city construct a freeway past an area where it wants to develop big box retailing. The developer has offered to pay 15 percent ($3 million) of an expected $20 million cost. The land under consideration is far from any existing development and is currently zoned for agriculture (Winnipeg Free Press, July 23, 1999, p. A 3).

Taxes and Capital Costs

Winnipeg is widely identified as a high-tax urban center (City of Edmonton, 1999; Holle, 1999; Harris and Scarth, 1998). It is often assumed that the cause of these high taxes is excessive spending on inefficient city operations. In fact, a study conducted by the city of Winnipeg showed that Winnipeg's expenditures on operations were the lowest per capita of nine comparable Canadian cities (Winnipeg, 1993). A Coopers & Lybrand (1997) study found that the cost of services in Winnipeg was lower than Calgary and Edmonton and described Winnipeg as a "low-cost provider of services" (cited in Harris and Scarth, 1998).

ure 2


Population percentage change, 1991-1996
MAN - Winnipeg (157 areas)
Legend
-Water-
-19.2 - -12.6
-12.6 - -5.9
-5.9 - 0.7
0.7 - 7.3
7.3 - 14.0
14.0 - 20.6
20.6 - 27.2
27.2 - 33.9
33.9 - 40.5
N/A
# of areas per interval
7
7
91
34
12
1
1
1
3
7.5
10.3
10.5
9.6
10.6
8.4
9.5
9.6
9.2
4.5

urce: Statistics Canada, 2000

Analysis of the 2000 city budget estimates showed that the highest proportion of Winnipeg's expenditures went to servicing its debt (City of Winnipeg, 2000). Debt servicing grew from 11.1 percent in 1971, to 19.7 percent in 1980. It declined to 15.5 percent in 1988, but grew again to 18.6 percent by 1996. Debt servicing is projected at 20.5 percent of the budget expenditures for the year 2001 budget (City of Winnipeg, 2000).

Detailed financial statements indicate that by far the largest portion of this debt (46.7 percent) is attributable to the construction of bridges and streets (Harris and Scarth, 1998). The majority of debt for streets and bridges was incurred for construction of new systems to serve outlying areas of Winnipeg.

The outstanding debt for Winnipeg is currently $822 million (City of Winnipeg, 2000). Tables 2.7 and 2.8 show the main sources of such debt in the periods when it grew substantially through the 1970s and in the 1990s respectively.

Table 2.7 The 1970s debt growth in Winnipeg

Bishop Grandin Boulevard and Bridge	$21 million
Widening the Trans-Canada Highway East	$5 million
Widening of Dugald Road	$4 million
Reconstruction of Oak Point Highway	$8 million
Reconstruction of McPhillips Street	$3 million
(Total Value in 1997 dollars)	$127 million

Table 2.8 The 1990s debt growth in Winnipeg

Main/Norwood Bridge	$102 million
Chief Peguis Trail	$34 million
Charleswood Bridge	$30 million
Pembina Highway dualing	$20 million
Bishop Grandin Extension	$36 million
(Total)	$222 million

Harris and Scarth (1998) point out that, of ten major street and bridge projects mentioned in the Strategic Infrastructure Reinvestment Policy (Winnipeg,1998) only two are in the inner city. One of these, the Main-Norwood Bridge was constructed to service suburban sprawl in Southeast Winnipeg.

Taxes and Urban Sprawl

Some commentators, such as Peter Holle (1999a; 1999b), argue that ex-urban sprawl constitutes a flight from high property taxes in the city of Winnipeg. He calls the city an "urban curiosity" because it combines slow growth while exhibiting sprawl. There is, in fact, nothing unusual in this combination (Downs, 1999; Krumholz, 1996). In its study of ex-urban migration, the Capital Region Review Committee found that only 25 percent of those who resettled outside of Winnipeg cited "lower taxation" as a reason for their move. Sixty-one percent cited "preference for semi rural lifestyle" as their reason for relocating

(Capital Region Review Committee, 1999). Given the fact that Winnipeg is a very low-cost provider services, and that the rise in taxes over the last three decades has been primarily due to the costs of new infrastructure to service urban sprawl, it appears that Holle has misunderstood the sequence of causation. These data suggest that the artificial subsidization of settlement at the city's periphery is a greater pull factor in urban sprawl, than taxes are a push factor.

Managed Growth

In 1981 the city of Winnipeg attempted to address the problem of urban sprawl and to redirect development back to the city's core area. City planners produced the Greater Winnipeg Development Plan, subtitled *Plan Winnipeg* (Levin, 1993). This document was to replace the 1963 *Metropolitan Development Plan*. Not only had the earlier document reached the limits of its time horizon, but its projections had proven highly inaccurate. The Metro Plan had assumed that Winnipeg's post-war growth rates of six percent annually would continue. The plan projected Winnipeg's population growth would reach 791,000 by 1986. The city's actual population reached only 594,551 (Levin, 1993, p.285). Based on these population predictions, the plan had also assumed that motor vehicle traffic in the city would double, that the population of the suburbs would triple, and that 100,000 new homes would be needed. Plans for new school space construction, streets, bridges, highways, and the acquisition of parks were all based on these inaccurate population projections (Levin, 1993, p.285).

The 1981 plan sought to correct these population estimates. The new plan acknowledged the city's slow-growth condition. This Plan argued that slow growth should be viewed not as a crisis but as an opportunity, and that rather than agonizing over Winnipeg's supposed lost prominence based on size, the city should use its moderate growth condition to balance and redevelop its central core. Plan Winnipeg put forward a vision of containment of outward sprawl and of reinvestment in older communities. The plan projected annual employment growth of a modest 0.54 percent, mostly in service industries. It anticipated growth of housing stock at 1 percent annually, and population growth of 0.69 percent (Levin, 1993). These estimates have proven remarkably accurate. The Plan presented the no-growth situation of Winnipeg as an opportunity to establish equilibrium, reinvestment, and revitalization.

> What does this more modest rate of growth mean for Winnipeg? It can mean the opportunity for the city to refocus its twenty-year growth potential away from the suburbs and toward the downtown and adjacent areas. By redirecting its growth, Winnipeg will be able to resist the effects of suburban sprawl, to renew its older neighbourhoods, to revitalize its downtown area and to rebuild its essential services. With redirected, refocused growth, Winnipeg will retain its enviable compactness, preserve its traditional sense of community, and reap the benefits of lower costs of services, transportation, and precious energy. The Plan Winnipeg vision, then, will employ economic and social development to preserve the best of the past, to innovate for future needs, ensure that basic services can continue to operate efficiently and effectively ... and do all this without unreasonable financial burdens

Critical to the 1981 plan was an attempt to establish a line, well within the city boundaries, but beyond which the city would not extend municipal services. This was the Urban Limit Line (ULL) which encompassed areas of vacant land where services were already installed or could be done so economically. The ULL is shown in Figure 3. Within the Urban Limit Line was sufficient area for ample new development. In 1990, for example, there was sufficient vacant land, or fully serviced lots, for 46,145 units of suburban single-family dwellings (Institute of Urban Studies, 1991). Demand for housing was projected to be 21,320 units by the year 2001. This meant there was 116 percent more space available for construction than was expected to be needed for 20 years, in spite of the fact that the ULL was drawn considerably closer to existing development than the city's boundaries.

CMHC concluded that there were "no constraints acting to restrict the availability of serviceable residential land" in Winnipeg in 1982 (cited in Institute of Urban Studies, 1991).

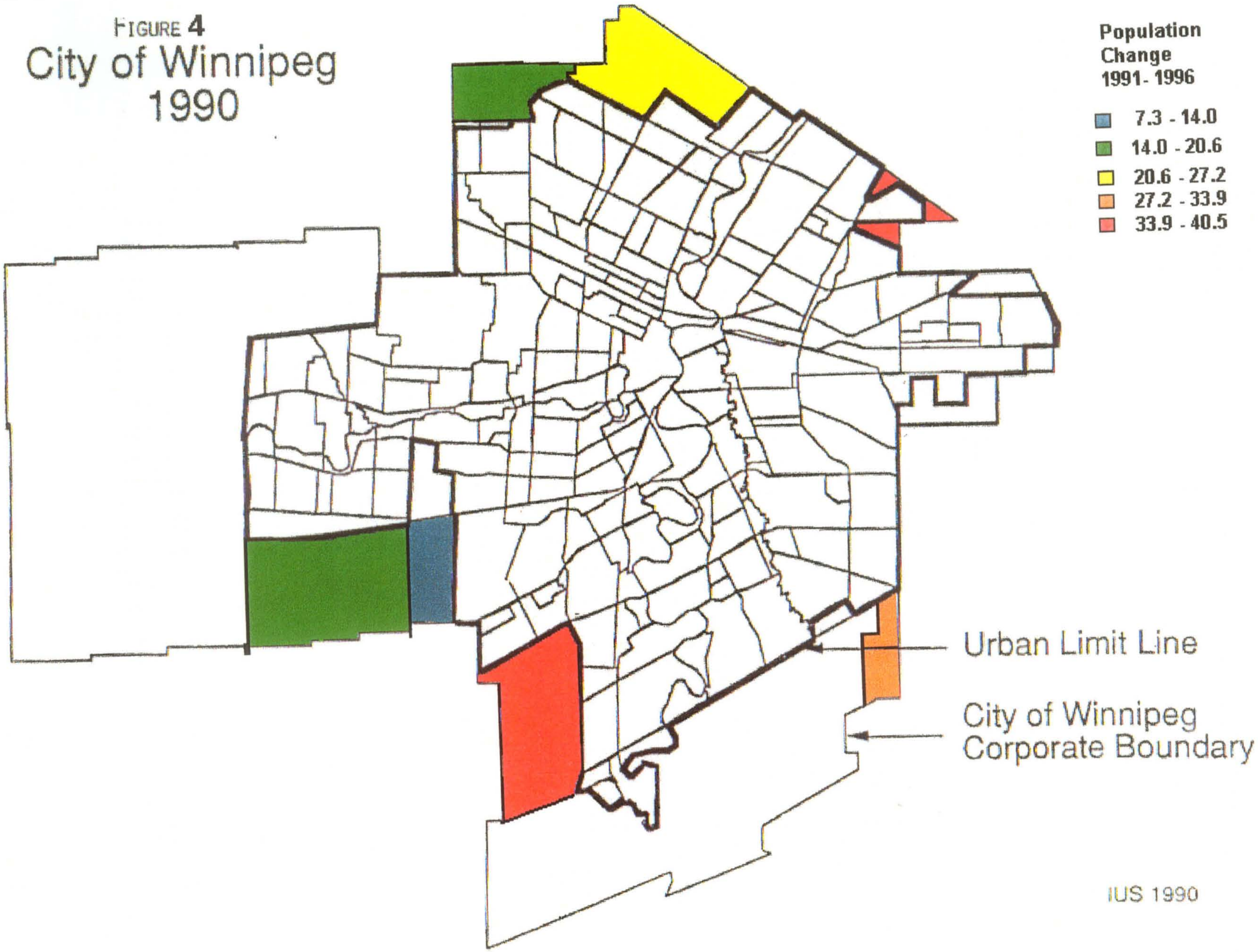
In spite of the apparent reasonableness of the Urban Limit Line the concept was controversial. Many believed that the boundary subjected freedom of choice for the location of residential housing to the dictates of city bureaucrats. They argued that freedom was a fundamental social value, and that the ULL unnecessarily curtailed this right. Proponents of the ULL, on the other hand, argued that the plan did nothing to curtail choice. The line simply set limits on the extent to which the public purse would finance the exercise of such choice (Institute of Urban Studies, 1991).

Plan Winnipeg had to be referred for approval to the Minister of Urban Affairs. The referral was made in 1986, but approval was delayed for two and a half years. The Minister believed that the limit line had been drawn too far from existing development. In his view this would facilitate too much new construction on the city's fringe and would do little to direct development toward the inner city (Levin, 1993). The conflict between city council and the minister continued for two years. It was finally resolved by a compromise in which development within the ULL would occur in stages, utilizing land closest to existing development first. It was hoped that this would encourage new construction to occur in the core area. In 1988 the government changed, and by 1992 the Urban Limit Line had been dropped from all city development plans (Levin, 1993).

Figure 4 shows population growth in Winnipeg from 1991 and 1996 relative to the Urban Limit Line. The map shows areas where population growth has exceeded 20 percent. All such areas lie outside the Urban Limit Line. Had the ULL been in effect, the cost of

FIGURE 4

City of Winnipeg 1990


Population Change 1991- 1996
🟦 7.3 - 14.0
🟩 14.0 - 20.6
🟨 20.6 - 27.2
🟧 27.2 - 33.9
🟥 33.9 - 40.5
Urban Limit Line
City of Winnipeg Corporate Boundary
IUS 1990

services to these areas would have been the sole responsibility of the developers. These new areas would have added nothing to the city's capital debt, and the cost of the homes would likely have been significantly higher. Lower infrastructure debt costs for the city could have made more resources available for inner city development. The higher cost of the housing would have made renovation and infill construction in the inner city relatively less expensive and more attractive to developers and homebuyers.

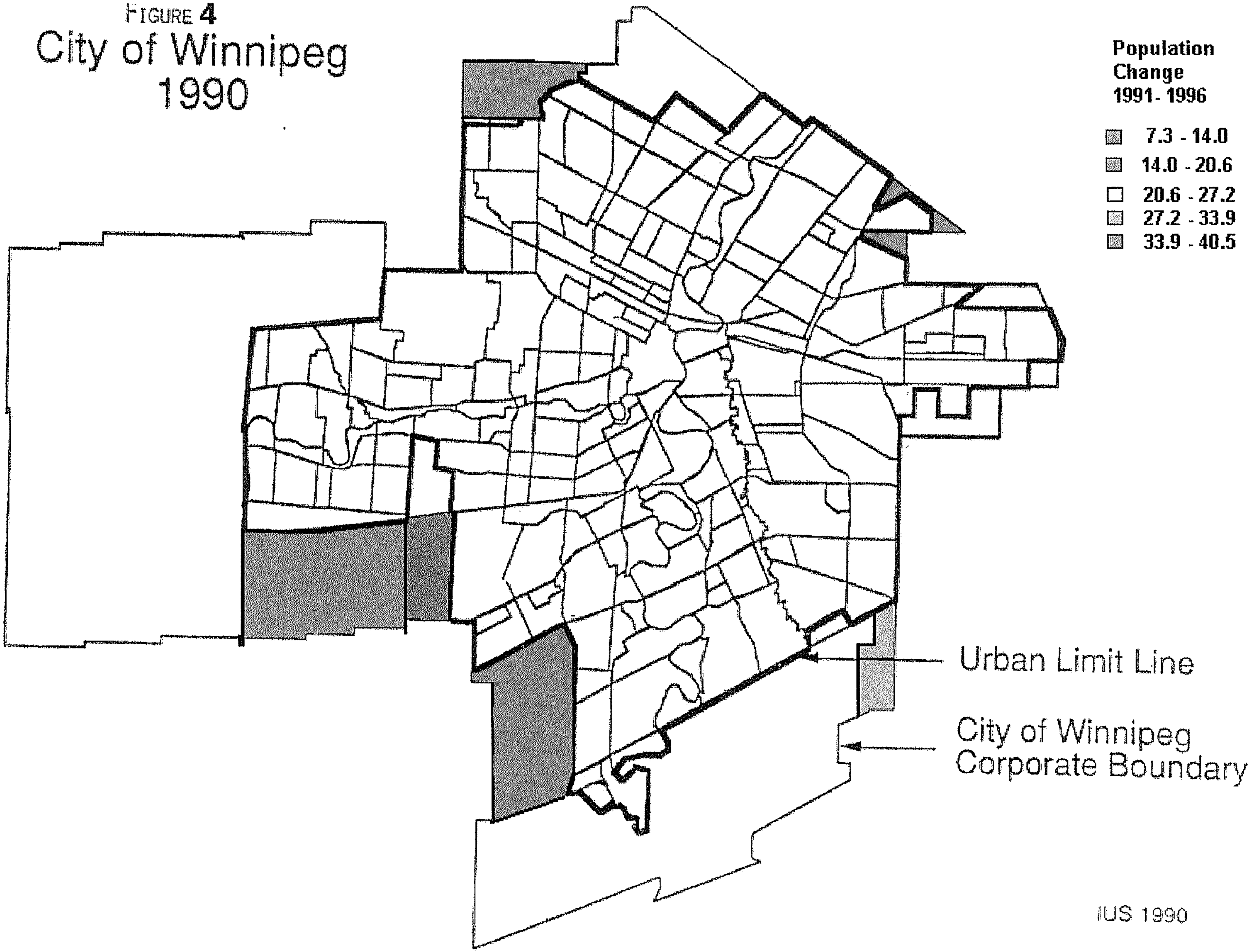
Growth Management

The Urban Limit Line was one attempt to achieve a measure of growth management for Winnipeg. As Leo et al (1998a) point out, however, the concept was simply an artifice of the Winnipeg Development Plan. Although the Plan, once adopted, was meant to be binding on the city, it could be by-passed by city council through a simple majority vote (Levin, 1993). A more effective growth management tool is one that grows from political consensus, and recognizes converging interests among builders who utilize specific knowledge of its restrictions as an advantage over outside competitors, environmentalists, farmers, and inner city activists, and has the force of law under the provincial government. Such growth management tools have been utilized in Portland Oregon, and Minneapolis St. Paul, and are now being initiated in Florida, Washington State, New Jersey, British Columbia, Maryland, Colorado and Vermont (Leo, et al, 1998a). Each is legally binding on the region and enforced by regional government.

Slow Growth

A key factor in all discussion of urban economic development is the potential for city-wide growth. Leo, Gibbons, and Shaw (1998) have called growth the “holy grail” of urban

FIGURE 4
City of Winnipeg
1990


Population
Change
1991- 1996
▨ 7.3 - 14.0
▨ 14.0 - 20.6
☐ 20.6 - 27.2
▨ 27.2 - 33.9
▨ 33.9 - 40.5
Urban Limit Line
City of Winnipeg
Corporate Boundary

IUS 1990

development. For three decades there has been considerable anxiety expressed about the fact that Winnipeg's rate of economic and population growth has been relatively slow (Holle, 1999a, 1999b; Levin, 1984;1993; Artibise, 1977; Winnipeg 2000, Price Waterhouse, 1990). In the twenty year period from 1976 to 1996 Winnipeg grew at an annual rate of only 0.77 percent (Statistics Canada, 2000). In the last census period, from 1991 to 1996, annual growth fell to only 0.2 percent. Winnipeg has slipped from being the fourth largest city in Canada in 1988, to ninth largest in 1995 (Statistics Canada, 2000; Holle, 1999a; Price Waterhouse, 1990).

Economic development strategies intended to overcome this slow growth have regularly been advocated. Despite almost complete implementation, however, these approaches have still had little perceptible impact.

Winnipeg Economic Development Strategy

One proposal to restore economic expansion and population growth to Winnipeg was commissioned by the Winnipeg Task Force on Economic Development (Levin, 1993). Entitled *Winnipeg Economic Development Strategy*, the report was a comprehensive assessment of Winnipeg's economic development policies assembled by management consultants, Price Waterhouse (Levin, 1993; Price Waterhouse, 1990). The report attempted to identify Winnipeg's competitive advantage in a global economy, and to propose business retention and attraction strategies that would revive the city's economic and population growth.

The strategy defined development as

> "the process of creating well-being and wealth. It is the transformation of ideas and resources into products and services for which there is a market and profit potential This development occurs within a free market economy and is driven by the profit motive (p. 1).

Central to the analysis and the recommendations that followed, was a phenomenon the report referred to as the "business climate." This factor was assessed by means of

> 50 face-to-face interviews with businesses located in Winnipeg and organizations involved in the city's economic development. From these interviews, "leads" and "perceptions" were gathered. This information was then compared to existing information and statistical data through a complete analysis in order to establish the facts (reality versus perception). Finally, the entire situation was reviewed using our experience in other Canadian and U.S. cities and regions (p.32).

The elements of the business climate were categorized in terms of fixed or changeable advantages and disadvantages. Fixed advantages and disadvantages were, by definition, unalterable, and were therefore not a key focus for policy intervention. Similarly, changeable advantages were not a primary focus because these were considered features to be preserved rather than altered. Recommendations in the report centred largely on changeable disadvantages. These were identified as

> "high tax climate; anti-business legislative environment; and negative image in other parts of Canada" (Price Waterhouse, 1990, p.48).

The specifics of this negative business climate were, according to the Report:

- The second highest personal and corporate income tax rates in Canada (p.42)
- Capital taxes. (Manitoba had the lowest rate, but only four other provinces had such a tax).
- Payroll tax on corporations with gross payrolls over $300,000.
- Workers Compensation premiums that were slightly higher than the Canadian average
- Commercial Property Taxes (Winnipeg had the third lowest of ten Canadian cities, but these were still cited as a problem.)
- Pro-labour legislation consisting of policies such as final offer selection and the right of workers to refuse overtime

The report identifies a number of measures taken by the new Conservative government of the time to improve this anti-business image (Price Waterhouse, 1990, p.44). These include:

- raising the ceiling on the payroll tax
- establishing a corporate income tax holiday for new businesses in the first year of operation, and phased reductions over the next four years
- reducing personal income tax rates by 2.0%
- providing up to $30 million to establish a seed and equity capital fund.
- implementing a business start loan guarantee program

While these changes were applauded, the report stated that "business is still skeptical about the ability of a minority government to achieve needed changes" (Price Waterhouse, 1990, p.44).

Other recommendations of the report included:

- Creation of "Winnipeg 2000," a committee of: business leaders, the Mayor; and provincial Cabinet ministers to promote the city (p. 83)
- Promotion of a major international athletic event such as the Grey Cup or Canada Games (p. 91)
- Creation of a University/Industry collaboration referred to as a Scientific Park (p.94)

The report identifies seven areas as business investment opportunities. Four of these were considered "very competitive", and two were deemed "most favourable" (pp. 63-64). These were:

- health care products and services
- information processing operations

Heading the list of information processing is "Telemarketing."(p. 66).

While business may have been skeptical in 1990 about the ability of a minority government implement "needed changes" there could have been little doubt about this ability a decade later. The *Winnipeg Economic Development Strategy* had become the guiding economic policy for a majority Conservative government for two terms. This was, perhaps, not surprising since the chair of the Winnipeg Economic Development Task Force for whom the study was commissioned was then, Deputy Mayor, Eric Stephanson who later became a prominent minister in the provincial Cabinet, and Finance Minister from 1994 to 1999.

Citing economic achievements of 11 years in office, the provincial government produced a report in 1999 entitled *The Manitoba Advantage* (Manitoba, 1999). This document identified initiatives taken by the government to improve the investment climate in Manitoba. The policy measures closely parallel the proposals of the Price Waterhouse report. They include:

- Personal income tax rate reduction by seven percentage points since 1988.
- Payroll tax rate reduction from 2.25% to 2.15%.
- Payroll tax exemption increase from $100,000 to $1 million. A reduced rate for payrolls between $1 million and $2 million.
- Capital tax exemption increase from $1 million to $5 million.
- Corporate income tax rate reduction for small businesses from 10% to 8%, with further annual cuts of one percent proposed until 2002
- A 10% Manufacturing Investment Tax Credit
- A 15% Research and Development Tax Credit.
- Retail Sales Tax applied alongside of the federal Goods and Services Tax instead of on top

In addition to the tax measures, the province also:

- Created Winnipeg 2000 to promote the city's image as a centre for investment
- Provided loans and technical advice to 40 call centres in province that employ over 4,000 persons. 34 percent of the call centres are engaged in telemarketing (Manitoba, 1998)
- Hosted the Grey Cup in 1991 and the Pan American Games in Winnipeg in 1999.
- Created SmartPark, a $5.6 million collaboration between the University and industry to facilitate the commercialization of research and new technologies (Manitoba, 1999).

Whatever the merits of the Manitoba approach from an empirical perspective, there are two problems with Price Waterhouse strategy for the city of Winnipeg. First, while it promises economic and population growth for the city, it says nothing about the spatial distribution of that growth. Second, the document defines economic development as

> "the process of creating well-being and wealth."

The Strategy makes no comment about the social distribution of that economic wealth. The study, in fact, cites Cleveland, Ohio as a "turnaround" success story and an example of what can be achieved through its approach (Price Waterhouse, 1990, p.76). This example is very telling.

It is true that Cleveland experienced a boom in downtown development throughout the 1980s and 90s. *World Trade* magazine rated the city number one in its review of "Best Cities for International Companies" (Shuman, 1997). British Petroleum, Ohio Bell, Medical Mutual, and Eaton Corporation built downtown office headquarters in the city and Society Bank (now Key Corp.) built the state's tallest office building at 56 storeys. Cleveland built a $450 million stadium, a $94 million Rock and Roll Hall of Fame, and a $56 million Great Lakes Museum of Science and Industry (Krumholz, 1999).

While the city was in the midst of its downtown building boom, however, its inner city was languishing. Cleveland's population fell from 915,000 to 505,000 from 1950 to 1990. The city lost a 125,000 residents during the 1960s alone. Twenty-five percent of its residents with incomes higher than the median, left the city. Forty-two percent of Cleveland residents live-in poverty, and 68 percent of the city's students never graduate from high school. The Cleveland Teachers Union maintained that $35 million had been diverted from schools between 1990 and 1995 through tax abatements for downtown development. The Cleveland school district was put into receivership in 1995. 17,000 people live in what a federal official called "the second worst public housing in the nation". Depopulation led to the abandonment of thousands of buildings in Cleveland's core area. The city has been taking over the sites and now owns 16 percent of Hough, 13 percent of Fairfax, and 6 percent of Glenville. Cleveland has the second highest index of racial segregation in the United States (Krumholz, 1999).

Economic development for Winnipeg must involve a more complex and socially balanced concept than simple reduction of taxes and attraction of industry. The city must attend to its growing levels of inequality, its substandard neighbourhoods, and its inner city deterioration.

It is clear that Winnipeg economic development strategy has been substantially implemented. However, its impact on the city in terms of population growth and economic expansion has not been dramatic. Winnipeg's growth rate continues to be slow. Job growth for Manitoba, contrary to frequent claims, has been the second lowest in the country after Saskatchewan (Winnipeg Free Press, February 4, 2000).

Taxation Strategies

Paul Brace (1997) is widely recognized for his work on the empirical measurement of taxation effects on state-level economic development in the US. His paper on the subject won the Best Paper Award of the American Political Science Association in 1995. Brace cites meta-research by Bartik (1991) of 58 interstate and intermetropolitan studies. Bartik found that 36 reported negative effects of high taxation, while 22 reported insignificant or positive effects. A similar review by Eisinger (1988) of 14 studies found eight studies that showed that taxes had little or no effect on development, while six found that they had some, or significant effects. Accordino (1994) reaches similar conclusions in his review of this literature. Brace (1997) concludes that

> We remain uncertain of the effects of taxation on the long-term economic development of states. Considering the evidence to date, the best we can say is that state taxes probably hinder growth on some economic indicators, and in some periods, under certain conditions, in the short run. Though impressive advances have been made, we lack sufficient confidence to make general assertions about these effects (p.148)

Discussing the varying results of attempts to measure the development effects of taxation Brace argues that

> A major shortcoming of many of the studies of state political economy is a failure to come to grips with the complex, multifaceted nature of taxation and expenditure.

Brace shows that lower taxation, if it comes at the cost of sustained investment expenditure on education and infrastructure, can result in a measurable decline in economic growth. To illustrate, he quotes Watkins and Perry (1977) that "no firm will locate in a region unless the requisite social and physical overhead capital has already been installed." Brace argues that “short run growth from lower taxes may come at the cost of long term economic development if expenditure on education and infrastructure cannot be maintained” (p. 149).

Empirical evidence from an emerging series of studies shows that actually increasing state (or provincial) taxes to finance improved public services, particularly education and infrastructure, can produce growth in the rate of private employment, in personal income, or in the provincial or state economy (Brace, 1997, p. 150). There may also be unforeseen complexities to the simplistic use of lower taxes as a route to economic development. For example, growth often creates demands for new public services that may outpace the new revenues created by that growth. New employment attracts in-migrants who may take over 70 percent of the jobs that might have gone to local residents (Accordino, 1994, Bartik, 1991).

A number of commentators point out that incentives for industrial attraction are available in virtually all economic jurisdictions. This ubiquity means that their value for any one region versus another is virtually negligible (Kossy, 1997; Blair, 1995; Blakely, 1994). Industrial location decisions continue to be made on the basis of traditional considerations such as ready access to suppliers and markets, availability of labour skills, and community quality of life. Taxes typically rank sixth in priority in such location decisions (Krumholz, 1991).

Post-Growth Condition

Economists such as Derek Hum (1984) and Errol Black, (Black and Silver, 1999) argue that Winnipeg's slow growth is related to a change in the city's role at the center of the wheat trade. They argue that the prairie region grew as a staple-led economy based on wheat production. The manufacturing sector, centred in Winnipeg, grew primarily to serve this staple sector through the production of farm implements, work clothing, and railway stock. Productivity in the staple sector grew faster than its market, and much of the labour force in farming became redundant adding to Winnipeg's unemployment levels. The manufacturing sector has grown more slowly than the staple sector. The challenge for Winnipeg is now to diversify away from wheat production to other sectors. Many economists argue that this diversification can occur, but it is unlikely to be as extensive or rapid as the pre-World War I and the post-World War II boom years (Leo, et al. 1998b; Silver and Black, 1999).

A Comprehensive Approach

Lower taxes for the city of Winnipeg are unlikely to serve as a panacea, either for the recovery of city-wide economic expansion, nor as a means of stemming the decline of the city's central core. Attempts to manage Winnipeg's current development problems will require a curtailment of subsidies for suburban and ex-urban expansion, and a conscious reinvestment in the city's declining core area.

While core area reinvestment is clearly necessary, the success of such a program is far from certain. In the past, a number of well-intentioned programs, supported by large resources, have failed to achieve a widespread reversal of core area economic decline. These programs include Urban Renewal (1962), neighbourhood Improvement Program (1973), Community Improvement Projects (1978), Community Services Contribution Program (1979), the Winnipeg Core Initiative (1981), and Winnipeg Development Agreement (1995). As Lyon and Fenton (1984, p.69) state,

> whether or not renewal activities fit into *a priori* comprehensive plan became a secondary consideration to efforts to attract federal and provincial funds into municipal coffers. When the interests of senior governments changed, so did those of the municipalities

Three levels of government have jointly promised funds of up to $22 million for housing in the core area Winnipeg over five years (Winnipeg Free Press, March, 11, 2000, p. A1). The provincial government has also created a new single-window funding initiative called Neighbourhoods Alive! The program provides resources for community groups to engage in planning and to address housing, employment, community safety, recreation, and training in specified high needs neighbourhoods in the city (Manitoba, 1999). If such programming is to be effective it will be important to draw on five decades of experience, both locally and across North America, to identify strategies for inner city development that have proven successful.

A survey of successful programs suggests a number of principles that, if carefully applied, can provide opportunities for success. It is important to emphasize, however, that no two communities are identical, and that borrowing from other contexts may not always be appropriate. neighbourhoods are multidimensional and complex social and economic systems, and neighbourhood renewal is a complex and unpredictable process. The results of development may take significant time to appear. Being duly cautious about the uncertainties, it is possible to distill some lessons and principles from inner city renewal experience that appear promising. The following section will highlight some key issues and principles that appear to be most salient, and it will illustrate these principles through brief case examples from promising initiatives.

Two critical issues that must be addressed in inner city development are the compounding processes of core area decline and the geographic concentration of poverty. These two issues are central to the dynamics of the urban decline process. Housing is a key determinant in the social and economic makeup of a central city neighbourhood, and it is the deterioration of local housing stock that drives decline and creates spatial concentrations of poverty (Downs, 1999; Krumholz, 1999; Schwartz, 1999). Large scale reintroduction of housing, both to residential areas, and to declining central business districts, has been shown to have a significant effect on renewing the economy of inner city areas (Housing Policy Debate, 1999, Schwartz, 1997; Krumholz, 1999; Levin, 1984; Worth, 1999) To have an impact on urban decline, significant public investment must be made in core area housing.

Scattered-site investment, however, of the type undertaken by the Winnipeg Core Area Initiative will not effect change in core area communities. Individual renovations across the core will not achieve sufficient concentration to have an impact on the local housing market. Recognition of this principle has led some groups to experiment with cluster-site development to effect neighbourhood change. The Dudley Street Neighbourhood Initiative in Boston, for example, referred to this concept as an attempt to achieve "critical mass" (Medoff and Sklar, 1994). As their plan stated, critical mass is

> the process of aggregating sufficient square footage of new or rehabilitated space to affect the existing market or create market of its own (p106)

The Dudley Street group was granted the power of eminent domain by the city of Boston to expropriate derelict houses. The Dudley Street Initiative was able to aggregate sufficient sites to construct or renovate enough housing to affect the local housing market.

Critical mass has been an important element of success in the redevelopment of the South Bronx in New York City (Angotti,1999; Worth, 1999; Schwartz, 1999), and the North Lawndale ghetto of Chicago (Giloth, 1999). In those inner city neighbourhoods achievement of critical mass has resulted in a return of market builders and market purchasers of homes to some of the most decimated neighbourhoods in the United States.

The South Bronx provides a strong example. The borough, containing six districts, is one of the poorest areas of New York City. In fact it contains the poorest congressional district in the United States (Schwartz, 1999). During the 1970s the area lost 300,000 residents, or 40 percent its population. Two of its six districts, Morrisania and Tremont, lost 60 percent of their population. As sociologist Nathan Glazer wrote

> (residents) felt they were being driven from their housing by crime, arson, and by the flooding of buildings as vandals ripped out the plumbing (quoted in Van Ryzin and Genn, 1999)

Violence in the area was the theme of a well known movie *Fort Apache: The Bronx.* The New York Times commented that the South Bronx was "as crucial to an understanding of American urban life as Auschwitz is crucial to an understanding of Nazism" (quoted in Worth, 1999).

From 1986 to 1997 New York City undertook the largest municipally sponsored housing program in United States. The city made a larger commitment, in dollar terms, to affordable housing than did the next 50 largest cities combined (Schwartz, 1999; Worth, 1999). By 1989 the city was spending $850 million per year on housing. Its overall plan was to spend $5.1 billion over the next ten years. Thirty percent of this amount was allocated to the South Bronx. The critical mass concept was captured in a statement by New York Housing Commissioner, Abe Biderman, who stated

> the goal was to rebuild the entire South Bronx - to take every vacant building and make it viable housing unit (quoted in Worth, 1999)

The outcome of this investment is measurable. In the Bronx the number of units in vacant buildings fell from 22,596 in 1986, to 4,832 in 1997, a decrease of 78 percent (Van Ryzin and Genn, 1999). As Robert Worth (1999) writes

> driving past the bodegas and vacant lots of Brook Avenue in the Melrose neighbourhood, you suddenly come upon a solid block of immaculate light blue houses with gates and welcome mats. Keep driving and you'll see them appear again and again in different shapes and sizes, like flashes of suburbia amidst the older tenements. Most of them were built by the New York City Partnership and are designed for families with an income of about $50,000.

While such moderate income housing was built in the community, 60 percent of the total funds were spent on housing for the lowest income groups (Van Ryzin and Genn, 1999). The policy has affected housing markets and population in the South Bronx. In Morrisania and Tremont population increased by nearly 20,000. Housing values in the two districts increased by $70,000 in real terms. Across all the districts targeted by the New York plan housing values increased by $7,000 (Van Ryzin and Genn, 1999).

While much of the re-occupation of the South Bronx was by moderate income households, there was little displacement of the poor. Single parent families actually increased in Morrisania and Tremont, as did the percentage of households receiving public assistance (Van Ryzin and Genn, 1999). Median household income in the area actually decreased, and the poverty rate has increased, as the lowest income groups returned to the area to take advantage affordable, but significantly improved, housing.

The South Bronx has also seen a stimulus in other markets. There has been an increase in bank lending (Worth, 1999). Partly this has been stimulated by the U.S. Community Reinvestment Act which rates banks on their success in meeting the "convenience and needs" of low income communities. But partly the activity is due to a renewed neighbourhood economy. As one banker told Robert Worth "there's a market here now, because there's a working-class community" (Worth, 1999). Major retail stores such as J.C. Penney, Home Depot, Old Navy, and Toys R Us, have also returned to the locality. The New York Post is building a color printing plant on the main street of the South Bronx. There is now a beer bottling plant, a fish farm, and a computer company located there as well (Worth, 1999). The restoration of sufficient housing, and the creation of mixed income communities, can begin a process of restoring the local economy (Schwartz, 1999; 1997; Worth, 1999; Krumholz, 1999).

The North Lawndale area of Chicago was the ghetto neighbourhood from which Martin Luther King launched his northern civil rights campaign in the U.S. in 1966. The area's mostly black population fell from 125,000 in 1960 to 47,296 in 1990, and the area lost half its housing stock over the period (Giloth, 1999). Median family income in 1990 was $15,190 or 44 percent of the median for the city. Unemployment was 27 percent. The poverty rate was the ninth highest for the city which itself was fifty percent higher than the national rate for the U.S. Thirteen percent of fatalities in the neighbourhood were related to alcohol or drugs (Giloth, 1999).

The residential exodus from North Lawndale was accompanied by industrial disinvestment. International Harvester closed its plant in the late 1960s. Western Electric closed its giant Hawthorne plant on the edge of the community shortly thereafter. Sears Roebuck moved its head office out of North Lawndale to downtown Chicago in 1973 along with 7,000 employees. They removed their remaining 3,000 employees from their catalogue operation in the community in 1987. The latter event has been critical to the redevelopment of the community. Sears tried for years to market its properties in North Lawndale for commercial purposes, but were unsuccessful. Between 1988 and 1991 the company formulated a plan, in collaboration with housing developer Charles Shaw, to tear down its catalogue operations and to construct 600 units of new housing. Sears planned to sell these properties to market-rate home buyers. As Robert Giloth (1999) writes

> What was strikingly different about this plan was its mixture of housing types and affordability, reaching families with incomes as low as $15,000 and as high as $80,000. Shaw believed that North Lawndale was marketable and that mixed income development was the only path to sustainable neighbourhood development (p. 80)

For community residents, a significant fear was that large scale market-based development would result in speculation, gentrification, and perhaps wholesale displacement of the lowest income groups. Sears engaged in extensive consultations with the community and local church groups to ensure that a mixed income neighbourhood would, in fact, include significant housing for families with the lowest incomes. The city of Chicago has supplemented the development with tax credits, tax increment financing, and municipal housing loans to ensure even more affordable housing in the area. In 1994 the city secured $20 million in federal funds to rebuild a 50 block area to the south of the Sears project. The impact on the housing market has been measurable. From 1994 to 1995 North Lawndale had the second highest rise in average housing prices of any community in Chicago. Prices rose from $45,000 to $78,000, or 75 percent (Giloth, 1999). Most of the in-movers have been middle class African American families from other neighbourhoods and the suburbs of Chicago.

A critical role has been played by the Harrison Steans Family Foundation in North Lawndale. The foundation chose to focus on this area in an attempt to build an overarching plan. The foundation is providing $1 million per year to North Lawndale (66 percent of its total grant capacity) with the intent of developing community ownership and participation by residents, and individual and organizational capacity. The foundation's plan states a belief that "people are embedded in families, social networks and institutions, and communities, ... (and that) healthy communities have multiple components" (Giloth, 1999).

Critical mass has been important in North Lawndale. But like the South Bronx, success has yet to be fully achieved. Robert Giloth (1999) writes "driving around North Lawndale in 1998 does not obviously nor dramatically reveal pockets of hope ... what one sees most is vacant land". As Giloth (1999, p.83)says

> Revitalizing inner city communities requires the right balance of favorable external factors and internal capacities for neighbourhood organization and development (Keating and Smith, 1996). Community organizing, planning, or development alone cannot easily overcome the forces of disinvestment in neighbourhoods experiencing dramatic change.

Still, Giloth points out that the city of Chicago has bet on North Lawndale as a candidate for rebirth. The city has allocated a further $50 million to the community and designated it a primary development area.

Social Capital

The second critical issue that must be addressed in inner city reinvestment is the compounding effects of concentrated poverty. This can partly be done through comprehensive social programming directed toward the multiple layers of stress that affect particular central city families. The concept of "social capital" has provided significant insight into the approach by which social programming can benefit inner city communities.

While definitions of social capital vary widely, most agree that the concept involves levels of trust, exchange of information, and norms of reciprocity, mutual aid, and information sharing within communities (Gittell and Vidal, 1998; Temkin and Rohe, 1998; CED, 1995). Two forms that are particularly important, according to Putnam, are bonding capital, the type that brings people closer together who already know each other, and bridging capital, the type that brings together people who did not previously know each other (Gittell and Vidal, 1998).

Development efforts oriented to building social capital focus on building more organic connections among social programs. They provide complementary services to the same families, rather than discrete services to separate clients (Gitell and Vidal, 1998) Examples of social capital programs include employment programs that involve social support, childcare, transportation, small-scale financing, networking with employers, local labour market research, and follow-up supports for participants after placement in jobs

(Reid, 1997; Gittell and Vidal, 1998; Medoff and Sklar, 1994). Education programs include not only remedial classes for children, but support for parents to help them become involved in their children's education. Crime has been shown to be more highly associated with weak social ties and community disorganization, (residential density, transience, and single parent families) than with poverty (CED, 1995). Crime prevention programs focus on developing norms of community affiliation, connection to opportunity structures, and involvement of residents in recreation with young people (CED, 1995).

If the three levels of government are to significantly affect core area development, then programs must go far beyond the reconstruction of physical infrastructure. It will be important to build collaborative structures with local organizations that have the capacity to build social capital. While housing may attract mixed income residents to neighbourhoods, community building is needed to restore norms of trust, mutual aid, and communication. This can only be built household by household, and street by street, by community residents themselves. Government will require the aid of neighbourhood groups, rooted in the community, to achieve this objective.

Economic Diversity

A third principle that complements both critical mass and social opportunity building is an approach to inner city renewal that consciously builds mixed income communities. Reinvestment policies introduce economic diversity to areas of concentrated poverty. This was clearly important in the achievements in the South Bronx, North Lawndale, and Dudley Street (as well as the Hough area of Cleveland (Krumholz, 1999), and Lake Parc Lane in Chicago (Rosenbaum, Strohe, and Flynn, 1998).

Conclusion

This chapter has attempted to show that decline and deterioration of Winnipeg's inner city is not an irreversible phenomenon. While decline is linked to the aging process of city infrastructure, it is also exacerbated by policies that stimulate the outward expansion of the city and corresponding abandonment of the core. Relatively high taxes are more an outcome of this process than its cause, and while reduction of taxes may slow the process of ex-urban flight, it will not be sufficient to reverse it. Nor will reduction of taxes address issues of suburban flight.

The conditions of sprawl and central city decline are not unique to Winnipeg. Such problems are characteristic of the growth patterns of most North American cities. While Winnipeg has taken considerable steps, at various periods, to reinvest in its core area, the city has not come to grips with the expansion dynamics of its urban system. Any new attempts to invest and rebuild in the inner city must take this reality into account. As Keating and Krumholz (1996, p.216) state

> Our past failures in neighbourhood revitalization are due partially to a lack of metropolitan perspective. Every president since the 1950s has affirmed his support for urban neighbourhoods. Such programs as Urban Renewal (1954), Community Action Program (1964), Model Cities (1966), Community Development Block Grants (1974), neighbourhood Self-help Development Grants (1977), and Empowerment Zones (1994) in one way or another were created to provide support for urban neighbourhoods. All have fallen short because they have not dealt with the fact that metropolitan problems are linked and that regional disparities are found in the primacy of the regional marketplace in defining people's worth and entitlements. Building a reform agenda for neighbourhood revitalization must take these metropolitan factors into consideration.

The allocation of $22 million to build and renovate housing in Winnipeg's core area is a significant commitment. There can be no doubt of the necessity of such a program given the rapid deterioration of infrastructure and declining social conditions in the core. However, if these resources are used for scattered-site development, as they were under the Winnipeg Core Area Initiative, their effectiveness will be diminished. Investment in housing is intended to provide decent accommodation for inner city families. A wider objective, however, is for these investments to have a strategic impact on the impoverished housing market of the core area. To achieve this, investment should be directed to cluster site development that can achieve critical mass and restore the attractiveness of core neighbourhoods as places for residence and investment.

Achievement of critical mass can affect local housing markets. Public investment can serve as a catalyst for this process, but market forces will be necessary to achieve the sufficient scale for widespread renewal to occur.

As population returns to the inner city, retail investment is likely to follow. The route to business development is through renovation of housing and the return of population. As spending power rises in the local economy, businesses will inevitably seek to take advantage of it. To the extent that these businesses employ local people they will contribute to the strength of the local economy. The return of business will add to the attractiveness of the area and this will further contribute to the process of renewal.

A third principle of reinvestment is that it should aim at building neighbourhoods that reflect economic diversity. This is necessary to mitigate the effects of concentrated poverty in the inner city and social isolation. Building economic diversity will involve, firstly, deliberate efforts to develop mixed income housing in the core. Dudley Street, North Lawndale, the South Bronx, and public housing projects in Chicago, are examples of the benefits of building mixed income communities. Crime levels, children's school performance, and perceptions of personal safety have been measurably improved by a introducing economic diversity to neighbourhoods (Rosenberg, Strohe, and Flynn, 1998; Leo, et al. 1998a; Downs, 1994). This objective should be incorporated in all core area development proposals.

Finally, it will be important to make resources available to community organizations for the complex work of developing social capital. Employment programming, crime prevention, recreation programs, support to families, and community advocacy, are necessary complements to the process of rebuilding physical infrastructure.

A network of agencies currently exists in the inner city that is deeply integrated into the texture of these communities. These inner city organizations have been poorly resourced in recent years (Silver, 1999). Redevelopment of the core should include significant resources for those organizations that are able to develop community capacity. This will require a collaborative approach on the part of government, and a commitment to complement the vision and initiative of neighbourhood organizations that are familiar with the needs of residents and are able to provide relevant services.

Inner city development is a formidable challenge, both in terms of resources it demands and its strategic design. Some of the examples in this study suggest that development can be successful if these elements are appropriately combined.

More challenging, perhaps than the mobilization resources and appropriate planning will be the development of a political consensus that Winnipeg's current pattern of urban growth is destructive to the overall fabric of the urban system. The creation of a balanced approach to growth, and the return to market incentives in housing, will impose costs on those who currently benefit from subsidies to suburban and exurban development. It will be a challenging political task to advance policies that adjust incentives more in favour of low income residents of the central city.

The current consensus for development appears to be partly a response to a perceived crisis in the core area. To move beyond a crisis reaction will require patience, political will, careful design, and a commitment to community. If these can be sustained, then redevelopment may be achievable.

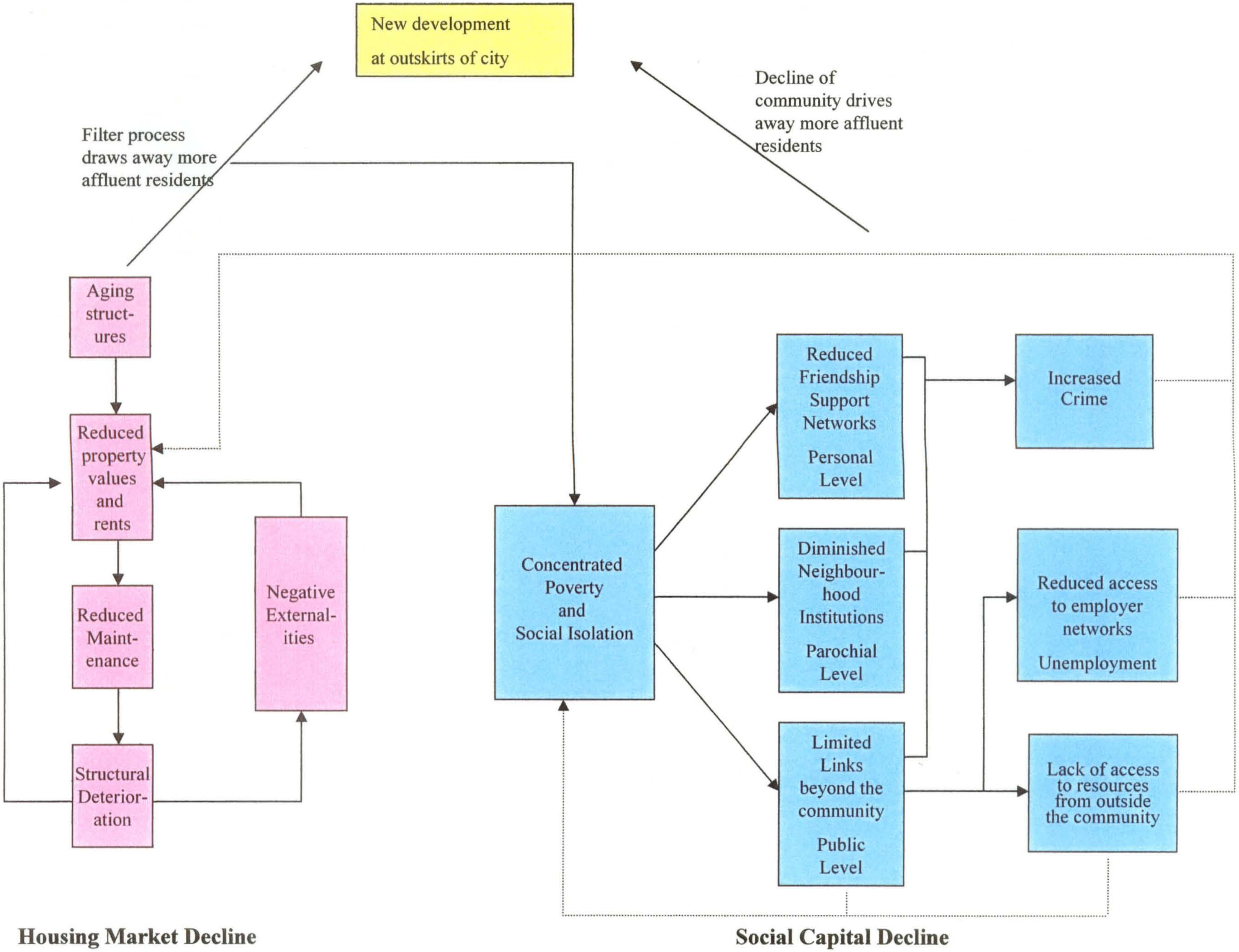
CHAPTER 3

Neighbourhood Economic Development Strategy: William Whyte

The North End Housing Project is attempting toapply a comprehensive development strategy to neighbourhood renewal. In doing so it has drawn on two major theories of the process neighbourhood decline and revitalisation. The two theories of decline and revitalisation are illustrated in Figures 3.5 and 3.6. The project has incorporated these two more specific strategies into a broader approach to economic development. This is shown in Figure 7. The first theory of decline argues that neighbourhood deterioration is primarily an outcome of the operations of urban housing markets. These markets play a major role in segregating urban populations by incomes and ethnic status (Rothenberg et al., 1991; Galster, 1996; Megbolugbe, 1996; Vandell, 1995). In low income neighbourhoods negative externalities compound the problem of concentrated poverty and create self-reinforcing cycles of decline and disinvestment. This housing-related aspect of neighbourhood decline is shown in magenta at the left side of Figure 5.

The second theory of neighbourhood decline is that the social stresses of geographically concentrated poverty, fear of crime, depletion of population, and isolation from outside opportunities lead to a situation in which low income communities lack social capital. Social capital is broadly defined as networks of mutual aid, norms of trust, the capacity for collective action, and access to opportunities beyond the community (Gittell and Vidal, 1998; CED, 1995; Lang and Hornburg, 1998; Putnam, 1998; 1995a). A lack of social capital in a neighbourhood means that problems go unaddressed, that families lack support in times of need, that neighbourhoods do not establish and enforce community

Figure 5. Neighbourhood Decline Process


New development
at outskirts of city
Filter process
draws away more
affluent residents
Decline of
community drives
away more affluent
residents
Aging
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ures
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Maint-
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Concentrated
Poverty
and
Social Isolation
Reduced
Friendship
Support
Networks
Personal
Level
Diminished
Neighbour-
hood
Institutions
Parochial
Level
Limited
Links
beyond the
community
Public
Level
Increased
Crime
Reduced access
to employer
networks
Unemployment
Lack of access
to resources
from outside
the community
Housing Market Decline
Social Capital Decline

norms, and communities are unable to access opportunities beyond their boundaries (Sampson, 1997; Briggs 1998). Such a situation can have an adverse impact not only on the quality of life of a neighbourhood, but also on its capacity to develop economically (Wilson, 1997). Social capital deficits and housing market dynamics can interact in mutually compounding manner to reinforce the process of decline. Temkin and Rohe (1998), for example, have shown that lack of social capital in a neighbourhood can have a negative impact on housing prices. The decline of social capital is shown in blue at the right side of Figure 5.

The North End Housing Project is attempting to address neighbourhood decline by intervening in the neighbourhood housing market and by building social capital. These two strategies have been combined with an overall approach to economic development in which local production is used to meet local basic needs. It is expected that the project, given adequate financial investment and careful attention to community development, may achieve some measurable results in slowing the process of decline in the William Whyte neighbourhood.

This chapter will describe NEHP's Alfred Avenue revitalisation strategy. The Alfred Avenue project is situated on a two-block section of housing within the William White neighbourhood (please see Map 1). NEHP is has renovated 10 houses in this section, or 12.7 percent of the total of 61 houses on the two blocks. NEHP has also worked to secure grants for fifteen homeowners on the block, bringing the total number of renovated homes to 25, or 45 percent of the total. The Alfred Avenue project is one cluster among a number throughout the William Whyte neighbourhood in which NEHP and other groups are involved in non-profit renovation work. It is anticipated that the cluster approach may develop street-block level impacts in terms of positive externalities and community

8 Renovated
g on Alfred Ave.

nd Housing
Homes 🟥

wner RRAP
Secured 🟩

Housing 🟪

ba Housing 🟦

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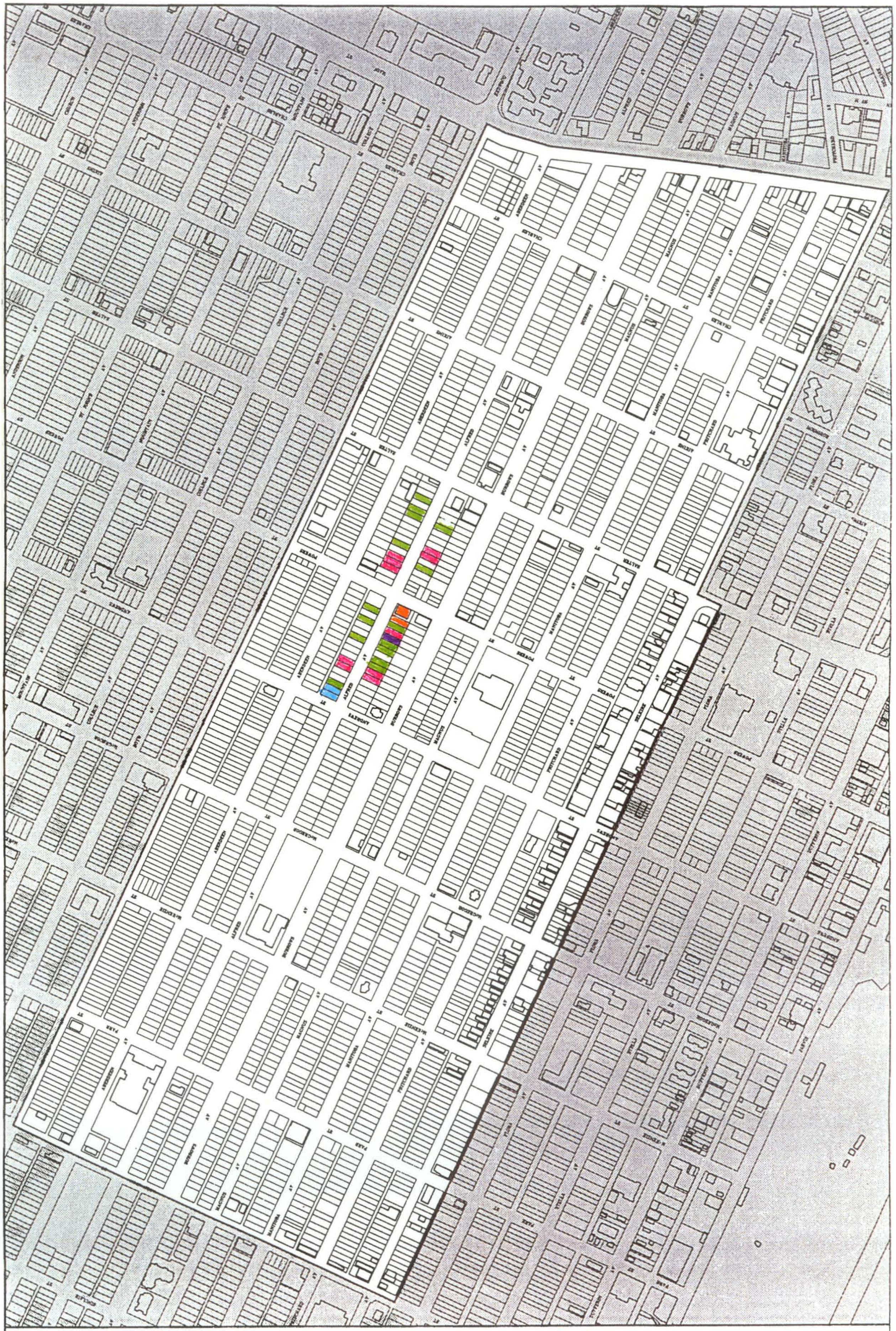

CITY OF WINNIPEG
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P.A.

WILLIAM WHYTE

LAND INFORMATION SERVICES

development, and that the collection of clusters throughout William Whyte may have similar effects across the neighbourhood.

This chapter will first develop a rationale for each component of the strategy based on the research literature. It will then identify some specific goals within each strategy and relate these to the literature. Finally, the chapter will describe approaches that other researchers have used in creating operational definitions for key objectives. In this way this section will survey the literature and attempt to link theory, practice, and measurable outcomes.

Housing Market Theory of Neighbourhood Decline.

Rothenberg, Galster, Butler and Pitkin (1991) have argued that neighbourhood decline is an outcome of the dynamics of the local housing market. This, in turn, is integrally related to a wider system of submarkets across a metropolitan area. This view is shared by a wide range of researchers (Downs, 1999, 1997; Krumholz, 1999; Orfield, 1997, Galster, 1996; Megbolugbe, 1996; Vandell, 1995). The process is shown in the magenta section of Figure 5. The theory has its origins in the urban sociology of Burgess and Muth, but was developed in its most comprehensive form by William Grigsby (Megbolugbe, 1996; Grigsby, Baratz, Galster, and MacLennan; 1987). According to the theory, new construction occurs primarily at the periphery of cities to take advantage of open land and more spacious lots. As more affluent families move to these new localities, older housing is left to families of lesser means. In this way the housing market "filters out" more affluent residents to newer parts of the city and spatially concentrates lower income groups in older geographic areas (Vandell, 1995). As housing infrastructure ages and populations become increasingly low income, the rents commanded by older structures are often insufficient to cover major repairs (Mills and Hamilton, 1994).

Both owner-occupants and landlords must make economic decisions about whether to invest their resources in the local neighbourhood, or to use them elsewhere (Mills and Hamilton, 1994; Megbolugbe, 1996). Such decisions depend on property values, and on expectations about whether such values will increase or decline (Galster, 1996; Vandell, 1995). The deterioration of one or two properties in an area can send a signal to the whole locality that the area is beginning to decline, and this can affect decisions by other owners as to whether to invest in major repairs. Each property that deteriorates, therefore, imposes external costs on other properties that surround it. In this way small pockets of decline can spread in a self-reinforcing process (Galster, 1996; Vandell, 1995; Rothenberg, et. al. 1991).

The North End Housing Project, in collaboration with other non-profit housing groups, will attempt to renovate sufficient housing in clusters in the William Whyte area to have an impact on the neighbourhood housing market. While providing immediate benefits for the occupants of the housing, the project will also attempt to create positive externalities and to affect investment decisions of other property owners. In this way significant reinvestment may begin, and the cycle of decline in the area may be slowed or possibly reversed. This reinvestment process is shown in the tan coloured section of Figure 6.

Can and Megbolugbe (1997) studied 944 housing transactions within a three-month period in Miami, Florida. They developed a hedonic pricing index that included a spatial parameter. The spatial component was intended specifically to take into account positive and negative externalities within local housing markets.

The accuracy of conventional indices that included structural characteristics and neighbourhood attributes, was increased by this spatial parameter between 13.9 and 17.9 percent, depending on the index (Can and Megbolugbe, 1997). The authors found that the similarity of prices increased in proportion to proximity to other properties, regardless of structural and locational characteristics. It is therefore reasonable to assume that upgrading a significant number of houses within a neighbourhood can have an impact on investment decisions, and ultimately on property values, of other homeowners in the immediate locality.

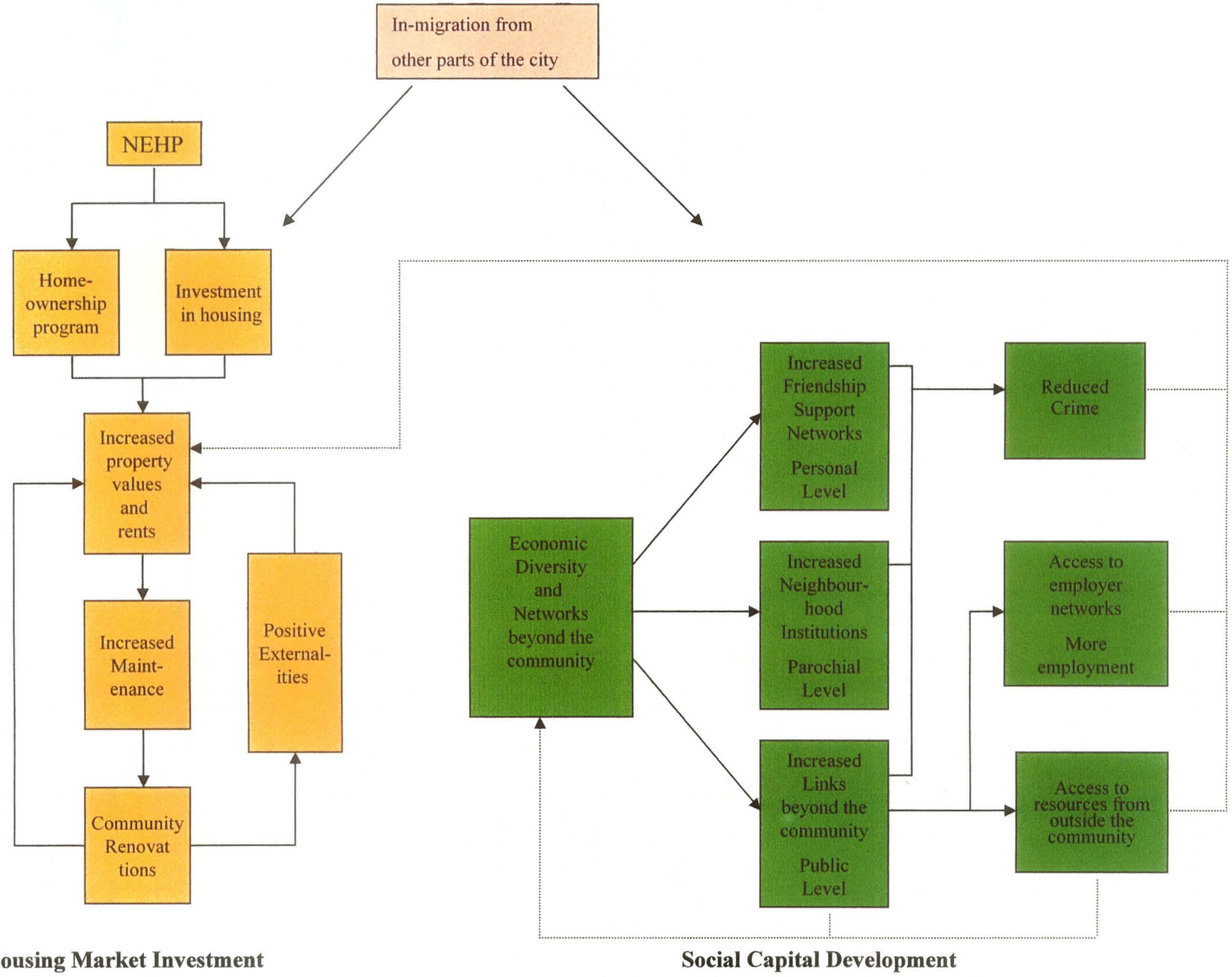
Housing price impacts will be measured by the percentage change in average house prices within a specified geographical radius of the Alfred Avenue project, as recorded in the Winnipeg Real Estate Board's *Active, Pending, Sold, and Expired Listings* (WREB, 2000).

Social Capital and Decline

The Committee on Economic Development (1995) in the US has described what it calls a "new understanding" of distressed communities and a "sea change" in the way that neighbourhood problems are addressed. The Committee argues that the new understanding begins with observations about *non-distressed* communities that foster rather than inhibit positive outcomes among residents.

> Such communities encompass many relationships and institutions by which residents share information, work toward common goals, and acquire needed support. They are not isolated from the society outside their borders and residents maintain and utilize resources and contacts from across their metropolitan areas. Through these mechanisms, formal and informal, healthy communities identify and address problems, reinforce social norms, and promote productive lives for individuals and their families.

Figure 6. Neighbourhood Redevelopment Process


In-migration from other parts of the city
NEHP
Home-ownership program
Investment in housing
Increased property values and rents
Increased Maint-enance
Positive External-ities
Community Renovat tions
Economic Diversity and Networks beyond the community
Increased Friendship Support Networks
Personal Level
Increased Neighbour-hood Institutions
Parochial Level
Increased Links beyond the community
Public Level
Reduced Crime
Access to employer networks
More employment
Access to resources from outside the community
Housing Market Investment
Social Capital Development

The concept of "social capital" was used by the Committee to summarise this set of interrelationships in nondistressed communities. The concept was first used in nineteenth century sociology and later revived by Jane Jacobs in her 1961 critique of urban design (Lang and Hornburg, 1998). James Coleman utilised the concept in his sociological studies on education in the 1970s (Portes, 1998). Social capital has been given its most recent and well-known application in the work of Robert Putnam (1998, 1996, 1995a, 1995b, 1993). In his research on governance and economic development in Italy, and its relevance to the US, Putnam has drawn attention to the important role that social capital may have for economic development.

Putnam (1995) cites numerous studies of rural development that show the importance of indigenous networks of grassroots associations. He argues that these

> can be as essential for growth as physical investment, appropriate technology, or (that nostrum of neo-classical economists) "getting prices right" (p. 65).

He cites studies of the rapidly growing economies of East Asia and points out that such analyses regularly underline the importance of dense social networks for the success of development. Such networks foster trust, lower transaction costs, and speed information and innovation. Putnam (1995, p.65) finds a similar pattern among innovative high-tech western industries such as the "network capitalism" of Bennetton and the Silicon Valley. Knack and Keefer (1997) and Wilson (1997) have sought to verify these findings through separate research and analysis.

Putnam (1998, 1995) refers to a body of literature that indicates that many inner city neighbourhoods may be deficient in social capital. Fear of crime can cause families to disengage from community activities and become socially isolated (Wilson, 1996; 1987). The large-scale relocation of low-skill, entry-level employment from the inner city areas to the suburbs has meant that central city residents are increasingly geographically separated, not only from employment locations, but also from the social networks through which information and access to such employment is made available (Harrison and Weiss, 1998; Melendez and Harrison, 1998). The outmigration of relatively better educated and better employed residents from inner city neighbourhoods has meant a loss of other important network contacts for those who remain in central cities.

Much of Putnam's discussion of the relevance of social capital to inner cities builds on the earlier work of William Julius Wilson (1996; 1987). Wilson documents the "spatial mismatch" of jobs and skills in central cities across North America. Unemployment is growing in central cities, while low-skill entry-level job growth is occurring mostly in suburbs. Wilson documents increasing concentrations of poverty and social isolation of inner city residents. His work has been extended by numerous researchers including Abramson et al. (1995) Kasarda (1993) and Orfield (1997).

Wilson believes that the concentration of poverty and social isolation have resulted in a deterioration of the social fabric of low income communities. His in-depth research through the Center for the Study of Urban Inequality at the University of Chicago, was carried out among 2,490 inner city residents in Chicago. The researchers found that impoverished, high crime neighbourhoods had relatively low levels of involvement in structured community activities. These are considered important for achieving collective community objectives, and for enforcement of informal social control (Sampson, 1997, Sampson and Raudenbush, 1997; Wilson, 1996). The neighbourhoods were also found to have low levels of contact with mainstream society. These types of social networks are considered important for accessing resources from outside the community. While Wilson found shortfalls in these forms of social capital, his researchers found that inner city communities in Chicago had relatively high levels of social integration in terms of local neighbouring and support.

While other research generally supports Wilson's findings (Harrision and Weiss, 1998; Briggs, 1998; Briggs and Mueller, 1997; Lang and Hornberg, 1998; Temkin and Rohe, 1998) considerable variation has been found in levels of neighbouring and social support in other inner city communities. Many studies have found substantial deficiencies in these forms of social capital as well (Sampson, 1997; Briggs and Mueller, 1997). The decline of social capital and its effects on housing, is shown in the blue section at the right hand side of Figure 5.

Gitell and Vidal (1998) have stated that since the publication of Putnam's work

> There has been a virtual industry of interest and action created around the implications of his findings for the development of low income communities

The Local Initiatives Support Corporation (LISC) in the U.S., for example, has launched a national demonstration project in three localities where community development corporations (CDC's) have well-established track records in renewing housing, but need more work in building community (Gitell and Vidal. 1998). The Ford Foundation has sponsored a four-city initiative which seeks to "bridge the traditional separation between human services and physical revitalization" (Chaskin and Joseph, 1995, p.1000, quoted and Gittell and Vidal, 1998, p. 41). The Surdna Foundation, and over a dozen other foundations in New York City, have launched the Comprehensive Community Revitalization Program (CCRP). CCRP works with five mature CDC's throughout the city. The network attempts to broaden the impact of development beyond assisted housing by building bridges among residents and neighbours and facilitating programs such as job-readiness and placement, homeownership skills, and neighbourhood problem-solving. The program also identifies common advocacy objectives among the communities and helps in addressing them (Gittell and Vidal, 1998).

The virtual "industry of interest and action" around social capital referred to by Gitell and Vidal has produced considerable research into the dynamics and dimensions of social capital and its connection with economic and social development. While much has been learned from this research, there are many issues yet to be explored. Lang and Hornberg (1998), for example, argue that there is a need to standardize definitions and measurement of social capital, and to identify key actors for building and promoting it. Putnam (1998) argues that, in spite of finding powerful correlations between social capital and desirable outcomes such as street safety, job creation, and neighbourhood redevelopment, we know little about how social capital actually produces such effects. Research is needed into the different forms of social capital, such as informal and formal, function-based and place-based, bridging and bonding. Putnam (1998) argues further that, while it is evident that social capital can increase or decrease, we have little understanding of how to create it deliberately.

Putnam is somewhat pessimistic about the possibility of intentionally creating social capital. He believes that the phenomenon may take generations to take root and grow. Others, such as Harrison and Weiss (1998) Briggs and Mueller (1997) Gittell and Vidal (1998) believe that community based organizations (CBOs) and community development corporations (CDCs) are demonstrating some success in developing social capital in distressed neighbourhoods.

The North End Housing Project will attempt to address the infrastructure needs for adequate housing in the Alfred Avenue neighbourhood. It will also attempt to strengthen and develop social networks among residents, and to build neighbourhood social structures through which residents can take collective action on community issues. Such neighbourhood-based organizational networks are necessary for addressing community problems and for accessing resources from outside the community. While the issues to be addressed through such networks are yet to be fully identified, the most important objective is their development. As community needs are identified these networks may be activated to address them. As concrete issues are addressed, the networks themselves will be strengthened. Currently, the networks are addressing housing needs of residents, and recreational and culural needs of Aboriginal youth.

Typical issues that have been addressed by social capital development include enhancement of neighbourhood safety (Wilson, 1996; Sampson, 1997; Sampson and Raudenbush, 1997; Bursik and Grasmick, 1993), access to employment (Reid, 1997; Harrison and Weiss, 1998; Melendez and Harrison, 1998), and access to further resources for community investment (Gittell and Vidal, 1998; Krumholz, 1996; Medoff and Sklar, 1994). NEHP will maintain the dual objectives of building community capacity and addressing specific concerns. The project will draw on insights obtained from research on social capital to plan such interventions and to measure outcomes.

Strengthening the Economic Structure

A third theory that has shaped the development planning of the North End Housing Project has been an overall strategy for economic development. The strategy was chosen from among a variety of approaches that are compared in the literature.

Douglas (1995), Blair (1995), and Davis (1993) and Loxley (1986) argue that the approach that has dominated most economic development theory has been a focus on building the economic base of a community. Such an approach assumes that export markets are the primary source of growth for a small community. Export activities are referred to as "basic" to the local economy. As Blakely (1994, p.135) writes

> "the best job creation strategy is one that stresses increasing "basic" employment. Basic employment is associated with business activities that provide services primarily outside the local area via the sale of goods and services

Non-basic activities are those whose products are sold within the local economy. They are seen as economy-serving rather than economy-building (Blakely, 1994). The assumption in this approach is that basic activities bring new income into an area (Davis, 1993; Blair, 1995) and allow the community to purchase items that it does not produce for itself.

Export-promotion is advocated in economic base approaches because communities are expected to take advantage of large markets outside the local economy, and through increased sales, to be more likely to achieve economies of scale in production. Pursuing large export markets beyond the local economy is expected to enable a community to focus on its comparative advantage. Consumption needs may then be met through imports from other communities that are similarly focused on their comparative advantage. The whole approach is thought to create efficient allocation of resources across regions. Over time the local economy is expected to diversify around its economic base.

In economic base models, the ratio between basic and non-basic activity is assumed to be constant (Blair, 1995; Davis, 1993). An increase in export income is expected to produce a proportional increase in local economic activity through cycles of respending. The ratio of local spending to export income is referred to as the multiplier. It is the multiplier that is considered to be constant (Blair, 1995; Davis, 1993; Loxley, 1986). In reality, however, the value of the multiplier depends on levels of leakage from the local economy through purchases of imports, payment of taxes, and the retention of income as savings by local residents (Blair, 1995; Douglas, 1995; Davis, 1993). The respending pattern depends on the strength of linkages within the local economy. Leakage from the local economy is shown in Figure 7.

Davis (1993) and Blair (1995) argue that the economic base approach is particularly limiting in its assumptions. By assuming that the local multiplier is a constant, the approach ignores opportunities to build the local economy through investment, through closing income leakages, through tightening linkage structures, or through import substitution (Fairbairn, 1991; Kinsley, 1997; Loxley, 1986).

Import substitution is an approach in which the community begins to supply locally, what was previously imported. As Loxley (1986) points out, the advantage of such a strategy is that a ready-made market exists for the commodities and the market is known and quantifiable.

Import substitution can be strengthened further if investments are made in economic activities that can maximize backward, forward, and final demand linkages. Backward linkages are opportunities to provide inputs to local production. Forward linkages are opportunities to purchase of the outputs of local production (Blakely, 1994; Blair, 1995; Davis, 1993). Final demand linkages are sales to purchasers who do not process the commodity further. All linkage-building increases the local multiplier.

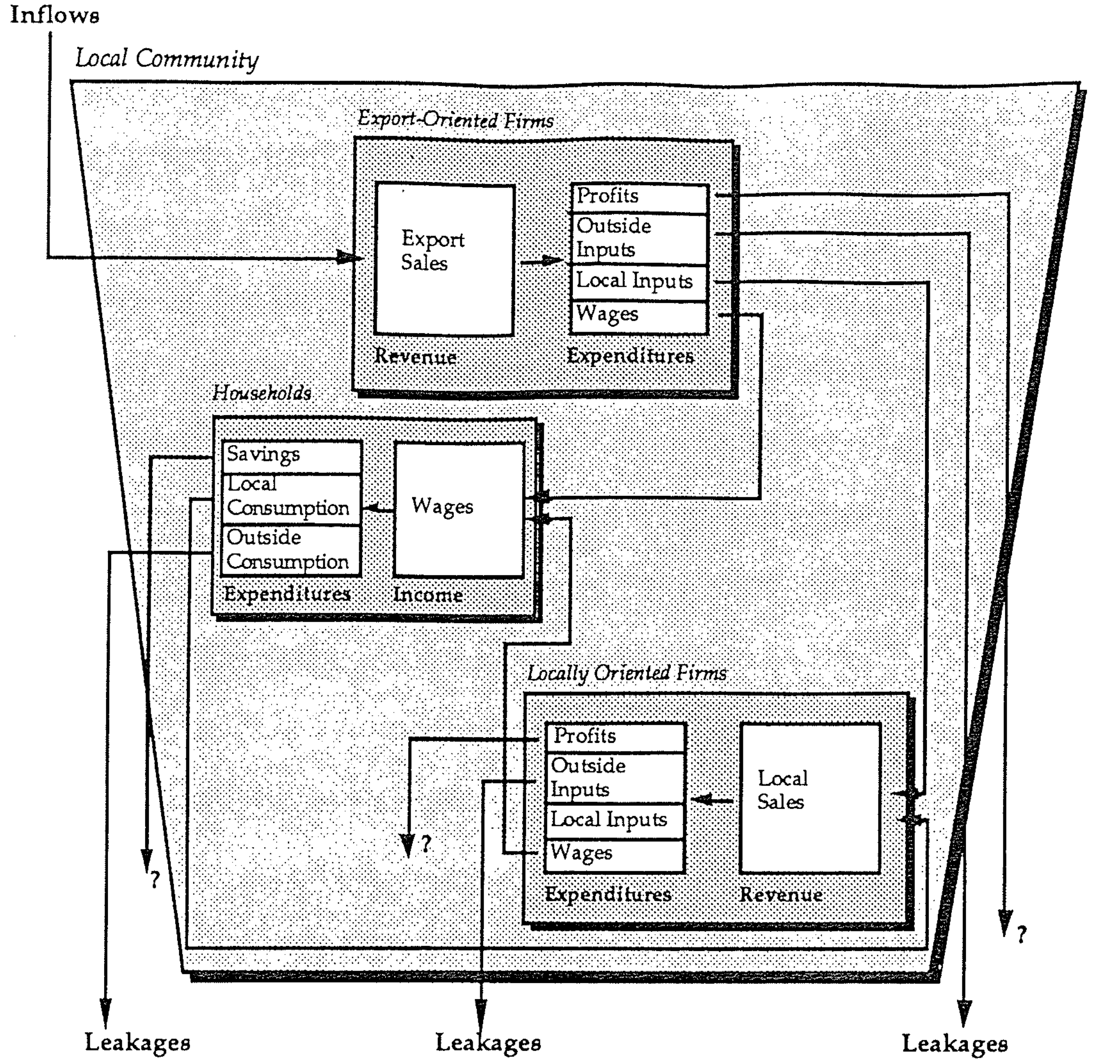
Fairbairn et al. (1991) provide an example of such an approach. Attracting a new industry to a locality may increase community income directly by 5 percent. If the multiplier is 1.25 percent, then the total benefit to the community would be an increase in income of 6.25 percent (1.25 x 5). Another industry may add only 2 percent directly to local income. But if the industry can strengthen linkages among local suppliers, it may increase the multiplier slightly from 1.25 percent to 1.3 percent. The total effect from this investment would be an increase of 6.6 percent in community income (2.6 percent from its own volume, and 4 percent from tighter community linkages). Such a community-building approach may bring in less income directly, but it may produce a larger overall increase in local income through greater local circulation.

An import substitution approach can be enhanced even further by questioning the current pattern of demand that exists in the local economy. The demand pattern is usually determined by the income distribution, and by the range of products available in the wider market (Loxley, 1986). Current demand may be dominated by the purchase of luxuries by the affluent, and by a shortfall of demand for basic necessities among low income residents. Commodities such as housing, healthcare, education, nutritious food products, and other items, are examples of basic needs. It will be important for community-based development to invest specifically in meeting the basic needs of the community. Such a strategy moves beyond simple import substitution towards an approach that Loxley (1986) has referred to as convergence. This is in contrast to a divergent economy in which production satisfies outside demand and local consumption is supplied by imports. A convergence approach is one in which local production is directed toward meeting local basic needs.

Currently 60.8 percent of housing in the William Whyte area is rental. (City of Winnipeg, 2003). 79 percent of this rental stock is absentee-owned (NEHP, 2000). This means that approximately 48 percent of community expenditure for housing leaves the neighbourhood in housing costs and profits for landlords .

According to the 1996 census, 17.6 percent of housing in William Whyte was in need of major repair (Statistics Canada, 2000). This is virtually double the city average of 8.9 percent, and is the second highest level in Winnipeg (after census tract 42 at 20.5 percent). 63 percent of renters in the area spend over 30 percent of their income on gross rent (Statistics Canada, 2000). For Winnipeg the average is 43.5 percent. According to CMHC (2000, 1997) a household that spends over 30 percent of gross income on housing, or whose accommodation is in need of major repair, is considered to be in "core need" (Carter, 1997).

By focusing on housing, NEHP is retaining local income and resources for community use. It is building backward linkages by creating a renovation company that hires local residents for renovation work. The project is meeting basic needs for the lowest income residents of the community by providing decent and affordable shelter. The project will attempt to slow outmigration and disinvestment by creating positive externalities in the locality. The residents hired for renovation work were former social assistance recipients


Inflows
Local Community
Export-Oriented Firms
Export Sales
Revenue
Profits
Outside Inputs
Local Inputs
Wages
Expenditures
Households
Savings
Local Consumption
Outside Consumption
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Income
Locally Oriented Firms
Profits
Outside Inputs
Local Inputs
Wages
Expenditures
Local Sales
Revenue
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Leakages
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Leakages

Figure 7. Market Linkages in a Local Community

Source: Fairbairn, et. al. 1991

who were specifically trained to work in the program so that the project is imparting basic skills and helping residents to overcome dependancies.

As of 2001, the project intended to renovate up to 125 houses over five years. NEHP wouldcharge an average of $479 per month for these homes, which was equivalent to average rent for the area (Statistics Canada, 2000). Approximately 70 percent of rent charges wouldbe applied to mortgage interest, property tax, and insurance. The balance wouldbe held in reserve for maintenance, replacement, and management costs. Management costs contributed to a salary for a local resident who was in training as a property manager.

These were resources that previously left the community in the form of salaries and profits. On 125 houses, this would amount to $215,550 annually that wouldbe retained for community reinvestment.

NEHP will attract up to $6.6 million for housing renovation in the community ($3.5 million in government subsidies and $3.1 million mortgage financing). Forty-two percent of this amount, or $2.7 million wouldbe spent on renovation labour. The balance wouldbe spent on acquisition of properties and on construction material. In 2001 all of the project's labour was hired locally, except the lead carpenter. Earnings of renovation crews, local contractors, and local subtrades are shown in Table 3.1.

Table 3.1 Amount Spent on Local Hiring for Renovation Work in the First 5 Years

Year	NEHP Reno crew contracts per year	Earnings per year	Local renovator contracts per year	Earnings per year	Subtrade contracts per year	Earnings per year	TOTAL
1999	10	129,644			10	92,116	
2000	10	129,644	15	230,289	25	194,466	
2001	10	129,644	20	276,347	30	259,289	
2002	10	129,644	20	276,347	30	259,289	
2003	10	129,644	20	276,347	30	259,289	
TOTAL		648,222		1,151,446		927,332	2,772,00

Residents would also accumulate equity in their homes over five years. This was projected in Table 3.2. Again, this amount, totalling $193,000 by year 5, represented resources that were captured for community use.

Thus significant resources in housing investment, housing upkeep costs, local wages, and capital accumulation, were being retained in this project for community use, and the outcome of this work was production to meet the shelter needs of local residents.

Table 3.2 Accumulation of Equity for Participants in the First 5 Years

Year	Houses renovated per year (a)	Cumulative houses in project (b)	Equity to accumulate by 2003 per house (by fifth year) (c)	all houses (by fifth year) (b) x (c)
1999	10	10	3,174	31,740
2000	25	35	2,435	60,875
2001	30	65	1,697	50,910
2002	30	95	1,120	33,600
2003	30	125	538	16,140
			TOTAL	193,265

The Intervention Strategy

Apart from the general approaches discussed above, there are number of specific objectives that NEHP will attempt within its overall strategy. These objectives are the subject of considerable discussion in the research literature on housing projects and community economic development.

Homeownership

Rohe and Stewart (1996) studied the relationship between homeownership and neighbourhood stability. The authors extensively reviewed the research on homeownership. They also conducted their own analysis of correlations between owner-occupancy and neighbourhood conditions across 2,569 urbanized, non-affluent census tracts in the U.S. between 1980 and 1990.

In their review of the literature, Rohe and Stewart (1996) found consistent differences between homeowners and renters in terms of household behaviour and community involvement. They were careful to point out, as do Rossi and Weber (1996), that research also shows that homeowners differ from renters on a fundamental range of variables including socio-economic status, expectations of mobility, family size, marital status, age, race, and numerous others. While it is possible to control for many of these variables, the consistent and extensive differences between homeowners and renters means that one cannot ultimately rule out the possibility of selection bias as the explanation for effects of homeownership on communities. Nevertheless, the research does reveal consistent differences between homeowners and renters in terms of individual behaviour and interactions within neighbourhoods. This suggests that homeownership, itself, may be important for neighbourhood stability.

The literature review conducted by Rohe and Stewart shows that homeowners maintain their properties at a higher standard than do either landlords or tenants, and they spend more on household repairs than do landlords. Homeowners participate more extensively in neighbourhood organizations, they associate more on an informal basis with other local residents, and they feel a greater sense of commitment to local communities than do renters. Owners generally have much higher levels of residential satisfaction than do renters. Finally, the strongest and most consistent findings are that homeowners are characterized by less housing mobility (i.e. longer tenure). Rohe and Stewart (1996) argue that this is consistent with a theory that homeowners have both economic and use interests in residential property, while landlords have only economic interests, and renters have only use interests.

The findings on property maintenance levels are of particular relevance for NEHP. Galster (cited in Rohe and Stewart, 1996) has argued that

> if non-trivial numbers of previously rented dwellings are converted to owner-occupancy in a given neighbourhood, one can predict that the overall levels of upkeep in that area will be enhanced greatly. The expected impact is likely of a much larger degree than would ensue even from dramatic increases in resident socio-economic status, optimistic neighbourhood expectation, or neighbourhood cohesiveness ... indeed, expanding the number of homeowners appears to be the single most potent means for encouraging the upkeep of dwellings in a neighbourhood. And the differences are even more dramatic when considering low-income occupants.

Rohe and Stewart's (1996) own research shows significant effects of homeownership on neighbourhood stability. The researchers measured stability in terms of the percentage of occupied units in a tract where the current householder had resided for more than five years. The researchers controlled for age of householders, the presence of children, the mean number of bedrooms, the age of housing, the completeness of plumbing, household income, and race. They found that homeownership explained more than half ($R^2 = .56$) of the variance in length of tenure in neighbourhoods. Other factors that affected tenure were crime levels and career situations.

The authors also compared changes in ownership rates in 1980 to property values in 1990. Since rising property values attract homeownership, and the two variables are endogenously related, the researchers used a two-stage model to analyse the effects. They first calculated predicted homeowner rates in 1990 using changes in property values and housing characteristics from 1980. They then estimated changes in property values based on predicted homeowner rates from the first calculation. The study found, after controlling for a wide variety of variables, that each percentage point increase in homeownership in a census tract raised property values by $800.

NEHP will encourage homeownership among all participants in its project. It is expected that ownership status will contribute to the neighbourhood in terms of stability of tenure, increased maintenance, increased participation in community social life, and residential satisfaction. These effects, in turn, are likely to contribute to increased neighbourhood property values.

Access to Credit

Temkin and Rohe (1998) found that communities in which mortgage capital was more readily available were less likely to decline over a ten-year period than were others where mortgage finance was more difficult obtain.

The Canadian Coalition for Community Reinvestment (1999) argues that a lack of available mortgage credit is a major impediment to the production of affordable housing in Canada.

> Financial institutions will generally not consider an applicant for a mortgage if the mortgage payments (gross debt service) would be higher than 32 percent of the applicant's income. ... yet the majority of low income households, particularly single mothers and young families, must pay significantly more than this on housing costs, whether in rent or in mortgage payments. ... There is no significant statistical evidence that people paying more than 32 percent of income toward housing or mortgage costs have higher default rates.

NEHP will act as an intermediary on behalf of low income families in obtaining credit for homeownership. It will renovate homes to adequate standards, sponsor low-cost mortgages, screen tenants for credit risk, and provide opportunities for participants to create five-year payment histories. The project will also agree to repurchase homes in the event of default. This should provide significant security to the lender.

In spite of these safeguards, however, it is still questionable whether any traditional financial institution would have provided loan capital to the North End Housing Project or its tenants. As Vidal (1995) states

> it appears that many conventional financial institutions need to relearn how to do business in poor neighbourhoods. Thoughtful bankers faced with the hard facts of unequal access to credit admit that many commercial banks to not know how to

> evaluate the credit history of prospective low income borrowers, are not well equipped to evaluate the risk of business loans in low income neighbourhoods, and are not well positioned to do effective outreach and marketing in those neighbourhoods. The leading-edge CDFI's (community development financial institutions) are demonstrating that it is possible to do business profitably in low income neighbourhoods and neighbourhoods of colour.

Significant community organizing has succeeded in electing a community oriented board to the Assiniboine Credit Union. The institution has altered its lending policies to actively promote neighbourhood revitalization (Assiniboine Credit Union, 1999, p.1). This is reflected in the Annual Report of 1999 which states

> We continue to unfold a model of socially responsible financial services ... We continued to expand our involvement in neighbourhood revitalization projects. We played a major role in the establishment of community development initiatives and bolstered our effort to provide financial services to those generally not well served by financial institutions (Assiniboine Credit Union, 1999, p.1).

The availability of mortgage credit to participants in NEHP homeowners project is a critical aspect of the overall revitalization of the locality.

Income Assistance

It would appear that NEHP is the only homeownership program in Winnipeg that is specifically available to families on social assistance. This is important because such families are, by definition, those in greatest need. Most homeownership programs require at least one family member of participant households be employed. To make ownership available to assistance recipients, NEHP has advocated with the Department of Family Services and Housing for changes to the Employment and Income Assistance Act. Examples of issues are as follows:

(a) Acquisition of a major fixed asset (equity in a house of approximately $4,500) should not be subject to a penality.

(b) Treatment of the NEHP program should be similar to another program, Canada Mortgage and Housing's Rural and Native Housing Program (Manitoba, 2000 Section 19.1.22)

(c) The practice of placing a lien on the principal portion of the mortgage should be ended as has been done in Saskatchewan (Manitoba, 2000 Section 19.1.11)

Preliminary discussions with the Department of Family Services have been positive, although no formal changes have yet been announced.

Building Social Capital

The literature on social capital and community organizing provides some support for attempts by community groups to build social ties and networks within localities. This section will review the literature on some of these initiatives, and will indicate various means by which attempts have been made to build social capital in other localities. This section will also outline how outcomes have been measured.

Temkin and Rohe (1998) developed a measure of social capital that they referred to as "sociocultural milieu". The measure consisted of items drawn from the Pittsburgh Neighbourhood Study. This large-scale survey studied 5,896 heads of households across the city of Pittsburgh. The large sample size and sampling strategy provided data that were representative at the census tract level. The survey evaluated the sense of community and the social fabric in terms of the percentage of residents who felt strongly attached to their neighbourhood; visited with neighbours; were helped with small tasks; who discussed neighbourhood problems; who had friends in the neighbourhood; and who worked, shopped, or pursued recreation in their neighbourhoods.

Temkin and Rohe hypothesised that neighbourhoods that were low in social capital would show greater decline over a ten-year period than neighbourhoods where social capital was stronger. Social capital, it was reasoned, would allow neighbourhoods to mobilize more effectively against threats from crime, physical deterioration, or diminished public resources. Lower crime rates and healthier social environments would be capitalized into the value of housing in the neighbourhood. The dependent variable in the study, therefore, was housing price changes between 1980 and 1990.

The regression analysis indicated that social capital, as indicated by the composite measure, had positive and significant effects on housing prices. Neighbourhoods with relatively large amounts of social capital are less likely to decline when other factors were held constant. The regression containing the social capital variable had an adjusted R-square that showed housing prices eight percentage points higher than the regression with control variables alone.

Briggs and Mueller (1997) attempted to measure the outcome of attempts by three established CDC's to build social capital. The researchers compared neighbourhoods in which CDCs were active with matched comparison areas where no intervention had taken place. They used a mixed methods approach in which surveys were conducted, and ethnographic data were used to extend and interpret the findings.

From a review of the literature Briggs and Mueller (1997, pp.14-15,203-209) show that social ties, whether close or casual, are very difficult to build. This is the case in affluent, medium, or low income communities. Not only do residents of low income communities struggle with the isolating effects of crime, joblessness, and high population turnover, they also value their privacy and are wary of intrusive, demanding relationships with their immediate neighbours.

Briggs and Mueller found, however, that two of the CDCs in their study were able to significantly increase networks within realistic parameters. Two neighbourhoods where CDCs were active had a statistically significant higher proportion of residents who knew seven or more people well enough to speak to them occasionally, than did comparison neighbourhoods. In one community, a statistically highly significant 40 percent of residents knew ten are more persons in the neighbourhood well enough to speak to them occasionally. As Briggs and Mueller (1997) argue

> In the context of social relationships, "casual" should not be taken to mean unimportant. Not only can casual ties be important sources of information Granovetter (1973, 1974) but they appear to be a source of security and familiarity in threatening neighbourhoods (Merry, 1981). Neighbours may be important without being "close." ... previous studies also provide evidence that poor peoples' networks are smaller overall and more strained, from a social support standpoint, than those of higher income people.

NEHP will assess its social capital-building efforts through surveys and ethnographic research in the Alfred Avenue neighbourhood and in a comparison neighbourhood in which no CED intervention has occurred. It will build on some of the survey items and measurement techniques utilized by Temkin and Rohe (1998) and Briggs and Mueller (1997).

Employment Development

A social capital type program that addresses the compounding effects of poverty and social isolation is a new generation of workforce development programs (Harrison and Weiss, 1998; Melendez and Harrison, 1998; Reid, 1997). These programs have achieved significantly improved results over earlier models. Conventional workforce development models have assumed that employability was primarily an issue of imparting necessary skills to structurally unemployed people. Problems were defined in terms of the skill deficits of participants.

A new approach recognizes that one of the most critical aspects of finding employment is gaining access to the networks that employers use to contact and recruit new workers. Inner city residents tend to be disconnected from these networks by geography and social distance (Wilson, 1996; Briggs and Mueller, 1997; Harrison and Melendez, 1998). Workforce development programs have significantly enhanced their success by focusing on recruitment and hiring networks.

As Harrison and Weiss (1998) state

> conventional underlying models and beliefs about how labour markets work, especially for poor persons of colour, are inadequate, if not plain wrong. For these populations especially, workers are not hired through what economists call "queues," ... rather, they are hired through intersecting social and business networks of various kinds.
>
> The implications of this view are profound. Not only does theorising about social networks offer a radically different way of understanding how labour markets work in reality but also it calls for entirely different policy approaches to the problem. These approaches emphasize acting on the social structures through which people are processed rather than focusing centrally on the "disabilities" of the poor.

The Centre for Employment Training (CET) in San Jose, California raised incomes for inner city Chicano youth by 33 percent, compared to the 15 percent achieved by the U.S. Department of Labour's Job Corps. The Centre achieved a $6,700 increase in annual earnings for criminal offenders and high school dropouts, and these increases persisted for four years after job placement. This was far greater than the performance of 13 other programs evaluated nationally by Manpower Demonstration Research Corporation, the company that evaluated federal welfare-to-work legislation across the United States (Melendez and Harrison, 1998).

Harrison and Weiss (1998) reviewed ten such programs. CET is typical of the ten. They found two elements in CET that they believe accounted for its unusual success. First, the organization had become deeply integrated into the trusted training and recruiting networks of well-established companies such as Pacific Telephone and Telegraph, IBM, Lockheed, General Electric, United Technologies, and Pacific Gas and Electric. And second, CET was deeply immersed in the social, political, and cultural networks of the West Coast Hispanic movement. In fact, CET grew out of the migrant farm workers' organizing activities that eventually led to the United Farm Workers of America (UFW).

Harrison and Weiss (1998) argue that intermediaries can function as bridges between the networks of employers and unemployed persons. The most appropriate intermediaries to fill this role are community-based organizations (CBOs), and community development corporations (CDC's).

> During the last ten years, these and other community-based groups have begun to seek out partnerships, collaborations, and "strategic alliances" with other CBOs, with schools and colleges, and with private companies located within neighbourhoods, across the city, in the suburbs, and even, in some cases, across state and regional borders. In short, CBOs have increasingly entered, or created,

> inter-organizational and boundary spanning networks. They have done so in many fields, of which the employment training area is only one.

In its social capital building initiative, NEHP will discuss with local residents possibilities of developing local employment networks to access employment opportunities across the city. Programs will attempt to bridge the structural distance that separates inner city residents from employment. Specifically, NEHP will attempt to make contact with Aboriginal youth through culturally-based activities. This project will attempt to help the youth identify their personal strengths and interests that the program may channel to opportunity structures within the wider community.

Social Capital and Neighbourhood Crime

Recently considerable attention has been paid by researchers to the connection between social capital and neighbourhood crime (Sampson, 1997, Sampson and Raudenbush, 1997; Guerra, 1997; Bursik and Grasmick, 1993; Furstenberg, 1993). It has long been evident that crime levels vary in relation to neighbourhood social conditions such as poverty, residential mobility, housing density, and percentages of single parent households in the locality (Sampson, 1997). More recently, a number of researchers have found that social capital networks are important mediating variables in this covariation. (Sampson, 1997, Sampson and Raudenbush, 1997; Spergel, 1996; Bursik and Grasmick, 1993; Taylor, 1997).

Sampson and Groves (cited in Sampson, 1997), for example, analyzed data from the British Crime Survey. This large study involved 60 households proportionately selected from each of over 200 communities in England and Wales (over 10,948 respondents). The largest overall relationship was found between unsupervised youth peer groups and rates of victimization by street robbery and stranger violence. Family disruption was the largest predictor of the prevalence of unsupervised youth peer groups. Local friendship networks had a significant negative effect on robbery. These in turn were inversely affected by neighbourhood mobility (length of tenure). Participation in community organizations had significant inverse effects on stranger violence, and this was positively correlated to socioeconomic status.

Similar research conducted in Chicago (Sampson and Raudenbush, 1997), using a sample of 8,782 residents from 343 neighbourhoods, found that levels neighbourhood disadvantage and instability covaried with measures of mutual trust and informal social control. These variables, in turn, mediated the association between disadvantage and multiple measures of violence and victimization.

Bursik and Grasmick (1993) provide a similar comprehensive review of the literature. They find a relationship between social capital and the ability of neighbourhoods to exercise informal social control. Social control is defined, not as the rigid imposition of dominant norms and the suppression of nonconformity, but rather as the need for communities to achieve common goals such as freedom from physical threats (1993, pp.14,33). The authors show that social control can be exercised at the private, parochial, and public levels in the community. At each level social control operates through specific social networks, and is dependant on specific forms of social capital at that level. At the private level, for example, primary groups express disapproval, criticism, withdrawal of support and esteem, and ultimately ostracism of those whose behaviour is unacceptable. At the parochial level, interpersonal networks and interlocking institutions such as stores, schools, churches, and voluntary organizations extend parental norms and allow for recognition of outsiders and control of activities occurring in public space (Taylor, 1997).

At the public level, the community attracts resources and public goods such as cooperation with the local police in its efforts to deter crime (Bursik and Grasmick, 1993). Clearly, social capital networks must exist at each of these levels for their social control effects to operate. Building various forms of social capital is critical to the process.

While such correlations between social networks and neighbourhood safety are becoming increasingly apparent, it has been difficult to translate this knowledge into neighbourhood interventions. Where this has been done it has, in turn, been difficult to measure the outcomes. As Briggs and Mueller (1997) found, building social networks, in itself, is an exceptionally difficult task. Measuring the outcomes of such efforts at the neighbourhood level is also a highly complex undertaking. This explains, in part, the scarcity of studies that verify the effectiveness of neighbourhood interventions to reduce crime. The crime reduction effects of social capital are shown in Figure 9, which is taken from Bursik and Grasmick (1993).

Given the challenges of both implementation and measurement, it is significant that one CDC area studied by Briggs and Mueller (1997) found that victimization rates were only five percent in that neighbourhood, compared to 12 percent in the comparison neighbourhood. This was significant at .05 level. This suggests that community mobilizing, and social capital building efforts, of one CDC had an impact on neighbourhood crime levels. The researchers emphasize that this was only a momentary snapshot of the community, and to be a valid measure, repeated tests would be necessary. The outcome is nevertheless encouraging.

NEHP will attempt to build social capital networks. It is expected that these can be drawn upon to address specific problems such as unemployment, neighbourhood

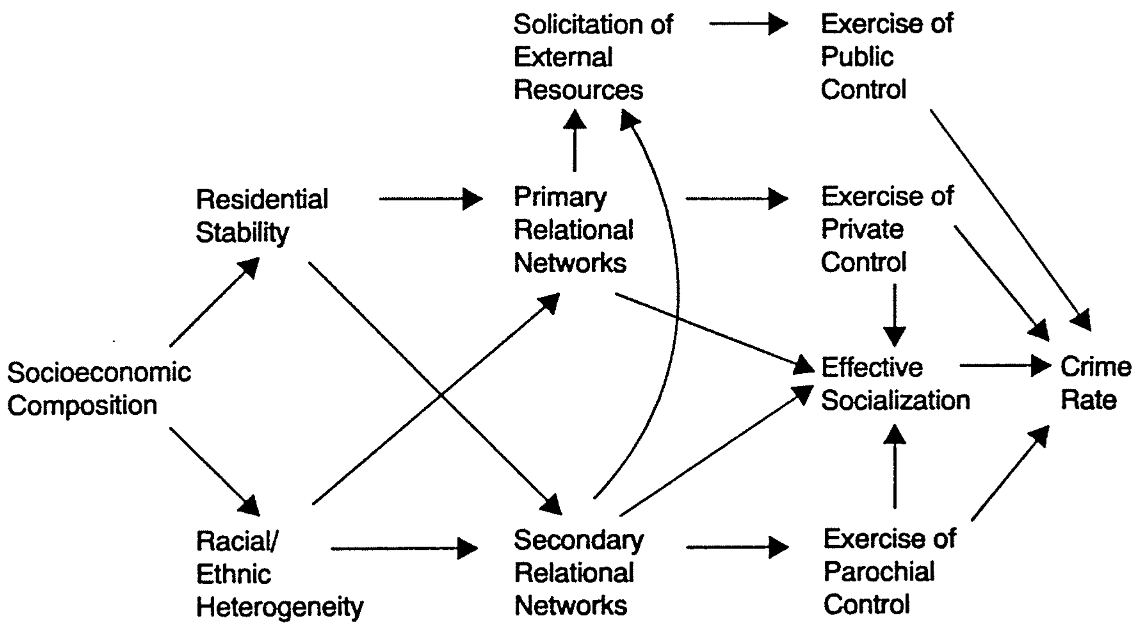

Solicitation of External Resources
Exercise of Public Control
Residential Stability
Primary Relational Networks
Exercise of Private Control
Socioeconomic Composition
Effective Socialization
Crime Rate
Racial/ Ethnic Heterogeneity
Secondary Relational Networks
Exercise of Parochial Control

Figure 9. The Basic Systemic Model of Crime.

Source: Bursik and Grasmick, 1993

victimization, youth alienation and neighbourhood decline. It is also expected that social capital networks will improve the overall stability of the neighbourhood and its attractiveness to homebuyers and migrants. Social capital is expected to contribute to the overall improvement of neighbourhood property values, which will be a key dependant variable in this research. The social capital building process, and its links to housing values, are shown in the green section at the right side of Figure 6.

CHAPTER 4

Community Economic Development and Aboriginal Culture

Thirty-eight percent of the population William Whyte identified themselves as Aboriginal in the 1996 census (Statistics Canada, 2000). While not the largest Aboriginal representation in a Winnipeg census tract in percentage terms, the two census tracts (43 and 45) that span the William Whyte community had the largest and second-largest Aboriginal populations in the city, in absolute numbers. There were in 1,730 Aboriginal people in census tract 43 and 1,530 in census tract 45 and (Statistics Canada, 2000). Neighbouring census tracts 34 (Lord Selkirk Park) and 26 (Spence) had the highest representations of Aboriginal people in percentages terms at 44.1 and 42.1 percent respectively. In absolute numbers, however, populations in these tracts were much smaller at 980 and 750 respectively.

The North End Housing Project is not specifically an Aboriginal agency. Housing in the project is available to any inner city resident whose income is below the specified threshold, and who has a commitment to remain in the locality and to help to improve it. The project has, however, significant Aboriginal representation on its board (25 percent) among its staff (66 percent) and among its tenants (50 percent).

In its concern to build community, and to develop social capital, NEHP may wish to reflect Aboriginal cultural concerns in the design and shape of its project. This may affect anything from the structure of the organization, its choice of programming, to the actual design of housing and neighbourhood planning. Waldram (1987) and Simon et. al.

(1984), for example, have argued that entirely different principles of community and housing design are important, from an Aboriginal perspective, than those normally used in euro-canadian urban design.

Aboriginal program participants, neighbourhood residents, and elders from various traditions, will be consulted about the importance of cultural considerations in each aspect of the program. Such consultations have already resulted in a culturally-based program for youth in the neighbourhood.

Cultural concerns have been identified as fundamental in all planning for community economic development in Aboriginal communities (RCAP, 1996; Gadacz, 1991; Morissette, et al., 1992; Cornell and Kalt; 1990; Asch, 1992; MacArthur; 1989). Cultural concerns will be seen as critical in building community cohesion and a sense of appropriateness and validity of the project among Aboriginal participants. For this reason it is important to review the significance of culture as a critical element in community economic development planning in communities with significant Aboriginal populations.

Aboriginal Perspectives on the Importance of Culture and Community Economic Development

> *We, the first people of this land now called Manitoba, are a people of indomitable will to survive, to survive as a people, proud, strong and creative.*
>
> *During the centuries in which we lived on this land, we faced many times of struggle, for the land is not always kind, and our people like any other people had to find ways to adapt to a changing environment.*

> *These last one hundred years have been the time of most difficult struggle, but they have not broken our spirit nor altered our love for this land nor our attachment and commitment to it. We have survived as a people ...*
>
> *Three fundamental facts underlie this paper and are reflected in all aspects of it ...*
>
> *First, we are determined to remain a strong and proud and identifiable group of people.*
>
> *Second, we refuse to have our lives directed by others who do not and who can not know our ways.*
>
> *Third, we are a 20th-century people, not a colourful folkloric remnant. We are capable and competent and perfectly able to assess today's conditions and develop ways of adjusting positively and successfully to them.*
>
> *Wahbung: Our Tomorrows*
> *By the Indian Tribes of Manitoba*
> *(Manitoba Indian Brotherhood, 1971)*

With these words the leaders of 54 Indian bands in Manitoba introduced a vision for the future of their communities which included directions for comprehensive social and economic development. The statement was one of several issued across Canada by Aboriginal leaders in response to proposals contained in the 1969 *Statement by the Government of Canada on Indian Policy,* commonly known as the *White Paper.*

The White Paper had proposed that the Government of Canada take steps to end all special status for Aboriginal people, to convert reserves to systems of private ownership (from collective occupation of trust lands), to abolish the Indian Act, to dismantle the Department of Indian Affairs, and to place Aboriginal people under provincial authority treating them as citizens on "equal" terms with all other Canadians. In short the proposals would end the historic relationship that had existed between Aboriginal peoples and the government of Canada. Integral to the approach was Pierre Trudeau's notion that for cultures to remain vibrant they must "compete" with other cultures for survival and receive no special protection from government (Weaver, 1981).

The unanimity and determination of the Aboriginal response to these proposals took the government by surprise (Weaver, 1981). The White Paper proposals galvanized political activism in Aboriginal communities at levels that had never been previously achieved. In a number of statements First Peoples articulated an indigenous vision for the future that entailed their ongoing collective occupation of reserve lands, settlement of outstanding land claims, and demands for the authority and resources to pursue development based on their own cultural and historic identities (Indian Chiefs of Alberta, 1970; Manitoba Indian Brotherhood, 1971).

The response to the White Paper by Aboriginal groups - and by the public in general - became so clearly negative that the government quickly began to retreat from its proposals. Within 21 months the policy paper was formally withdrawn, and although the comprehensive package of policies was jettisoned, many observers believe that current government policy still reflects the White Paper's objectives. The approach to their implementation, however, is now incremental rather than comprehensive (Weaver, 1981; Miller, 1986, Weetamah, 1996).

While First Nations achieved a full retraction of the White Paper proposals on March 17, 1971, they did not achieve corresponding acceptance of their alternative proposals for culturally-based models of development. As Weaver (1981) says

> the skills necessary to counter the 1969 White Paper are understandably different from those needed to sustain high-level policy negotiations and compromise. Indians organized *against* the White Paper out of fear of losing their special rights,

> but when they organized *for* specific policies, such as education, housing, and economic development, government compliance was negligible.

This lack of compliance has meant that proposals for implementation of indigenous models of development have remained broadly defined and largely hypothetical. The concrete details of such models have yet to be fully explored.

In spite of the general absence of functioning models of culturally-based economic and social development, it is evident from the broadly based resistance to the assimilationist intent of the White Paper, and from repeated statements since that time (Indian Chiefs of Alberta, 1970; Canada, 1996) that there is a strong sense among Aboriginal individuals and communities of enduring cultural uniqueness, and distinct ethnic identity. Consequently, as new proposals for social and economic development are put forward, it is highly important that consideration be given to the cultural assumptions upon which they are based. Such assumptions may have serious implications for the feasibility of these proposals, the level of benefits they are likely to provide, and the extent to which they are embraced by the community for whom they are intended.

This chapter will explore these issues. It will do so with particular reference to development proposals for a community in the inner city of Winnipeg. In the 1996 Census of Canada 37.8 per cent of the residents of this community identified their ethnic origins as "Aboriginal" (City of Winnipeg, 2000; Statistics Canada, 2000). This was by far the largest category of ethnic self-identification in the community, and was followed by Filipino at 9.9 per cent, and by Southeast Asian at 1.9 per cent.

Residents of this neighbourhood have begun to organize to address specific needs in their community. Initial efforts have focused on issues of housing, community safety and employment for youth. As the organizing process continues it is expected that residents will wish to address such issues as the cultural appropriateness of ownership structures, decision-making processes, neighbourhood layout, housing design, and cultural expression in community activities.

It will be important to have explored these issues in advance so that in public planning and discussion, the widest range of options can be made available to the community. Experiences in other communities, culturally similar to William Whyte, will be the best source of insights into such issues. There are also a variety of theoretical positions on the relevance of traditional culture to contemporary Aboriginal people in Manitoba which will be important to consider. Some of these experiences, and approaches to the analysis of cultural issues, will be assessed below.

Traditional Culture and its Significance for Contemporary Urban Aboriginal People

There are generally three quite different approaches that researchers have taken to determining the significance of traditional culture for contemporary Aboriginal people in Manitoba. These may be referred to as the acculturation view, the strategic view, and wholistic development view.

The first theoretical position is that traditional cultural values, in terms of patterns of behaviour or cognitive experience, are no longer of any significance to the situation of contemporary Aboriginal people. This position is taken by Lithman (1983; 1984) who follows Dunning (1964) in this conclusion. Lithman argues that the most significant feature of individual and community experience for Aboriginal people is the defining of an ethnic boundary between themselves and the dominant culture to avoid the indignities of racial stereotyping and prejudiced treatment. He recognizes some differences in cognitive or social orientation, but these are considered insignificant in determining individual or collective behaviour.

A second view is that culture is indeed significant. However, its importance does not derive from a subjective experience of difference on the part of the people concerned. In this view cultural practices are seen as a set of ceremonial activities and symbolic expressions that were meaningful in the past, but are no longer considered so in contemporary society. These ceremonies can be revived in the present as focal points for unifying a group of people in the broader task of political and economic organizing.

This is the approach is taken by Sawchuk (1978) in his analysis of the re-emergence of the Manitoba Metis. Elias (1991) treats the issue of culture in a similar way in his survey of the role of culture in a broad range of Aboriginal community economic development initiatives.

A third view is that culture constitutes an experiential and cognitive reality for a significant segment of the contemporary urban Aboriginal population and has central importance in ensuring that development is an authentic expression of their values and orientation. Culturally based development is therefore a process not only of recreating lost traditions, but of giving expression to current belief systems and value orientations of contemporary urban residents. The building of culturally-based institutions has a role in uniting Aboriginal people from diverse backgrounds, but it is also a process of developing outward social structures that reflect an inner cultural reality. Such congruence between social structures and subjective values can have an important role in healing broken identities for individuals who have internalized negative stereotypes, and for those who feel alienated from political, economic, and social institutions that do not reflect the their cognitive and affective orientations.

This view is taken by Morissette et al (1992) and Hanson (1985), and it has been used by Weibel-Orlando (1991) in her extensive ethnography of urban Aboriginals in Los Angeles. This view is consistent with an earlier body of research carried out by Hallowell (1955; 1991) who explored the thought world of Ojibwa people in Manitoba, and it is the approach that is reflected throughout the report of the Royal Commission on Aboriginal Peoples (RCAP) (Canada, 1996). Each of these views will be explored below to assess their significance for economic and social development in William Whyte.

Aboriginal People as Fully Acculturated

George Lithman (1983; 1984) spent four years at the Fort Alexander (Sagkeen) Reserve approximately 140 kilometres northeast of Winnipeg. He uses the pseudonym Maple River for this community. Lithman analyses the interaction patterns between reserve residents and members of the dominant society, and the apparent failure of a number of social and economic development projects in the community. Lithman is interested in theories such as "cultural differences," and "cultural obstacles to change," which attempt to explain the withdrawal of Aboriginal individuals from significant educational and employment opportunities, and the withdrawal of the community from development initiatives.

Lithman's study is relevant to William Whyte because first, as one of the largest and closest reserves to the city of Winnipeg, its residents are likely to be culturally very similar to Aboriginal people in the city's core area. Second, Lithman believes that those Aboriginal people who have had extensive exposure to euro-canadian culture have lost virtually all meaningful orientation to their traditional cultures. If this conclusion is correct, then long-term residents of urban centres such as William Whyte must be similarly acculturated. The implications of this position for a cultural assessment of William Whyte are therefore highly significant.

There are four parts to Lithman's argument. First, he accepts Dunning's conclusions regarding the acculturation of southern Aboriginal people. Lithman (1983) states

> Dunning (1962; 1964) ... demonstrates that "southern" reserves have been thoroughly exposed to the euro-canadian society and that it is improper to analyse their contemporary situation in terms of permutations of earlier cultural patterns (p.23).

Elsewhere (1984) he writes

> Maple River is almost an archetypal B reserve community ... Type B communities are characterized by long contact with the national economy and way of life, and their institutions are patterned rather after outside models than after native traditions (p.6).

In the second part of his argument Lithman adds his own observations to Dunning's conclusions. He challenges a basic assumption in the "cultural obstacles to change" explanation for underdevelopment which assumes that Aboriginal people are economically disadvantaged because they have yet to embrace modern social and economic conventions. Lithman argues (1983)

> the people of Maple River for at least a couple of generations have been able to act in accordance with very "modern" standards. They have been wage-earners with long term involvement in industrial circumstances and have run complex bush operations in very modern manners. ... Lack of "modernity" would therefore seem untenable as an explanation to the failure of development projects (p.133)

A third element in Lithman's view is that the "cultural obstacles to change" explanation for underdevelopment involves an oversimplified concept of culture and therefore wrongly interprets current reality.

He cites a typical example (1983, p.135). An economic development project in New Mexico employed Zuni and Navajo workers in an electronics plant. The project was deemed to have failed because personnel policies "went against Zuni custom". and ignored the fact that "in the value ranking of Zuni culture ... religion has priority over work".

For Lithman, this approach assumes that culture is a rigid and all-encompassing structure that makes no allowance for change or human choice.

> people are not automats adhering to the rigors and demands imposed by a given and non-negotiable moral order (p. 135)

He cites Eric Wolf's (1969) objection to this concept of culture by showing that cultures have been interconnected, and sometimes interdependent, on a global scale for millennia. Peasant societies, by definition, have been tied to the larger society, and have at times been capable of revolutionary action.

Lithman argues for a more complex notion of culture which

> Requires an analysis of the interaction of both internal and external, social, cultural, ideological, and economic factors (p. 138).

Lithman's fourth argument is the most significant. He contends that factors other than culture best explain many problematic behaviours observed in Aboriginal communities. He specifically examines such actions as withdrawal from educational and employment opportunities, and the abandonment of economic development initiatives. Lithman argues that these behaviours are, in fact, inter-ethnic interactions, and he believes that they follow fairly predictable patterns. Such actions typically occur in situations where members of the dominant society have the power to define the social status of Aboriginal participants in the interaction. According to Lithman these definitions reflect "stigmatized ethnic stereotypes" and "intense discrimination" (1984, p.60). In such situations Aboriginal people understandably withdraw, even though doing so may be costly in terms of economic betterment or social advancement. Lithman argues that these interaction patterns do not occur in situations where Aboriginal people have the power to define their own status.

It is this pattern, according to Lithman, that explains the failure of development projects in Aboriginal communities such as Sagkeen. The phenomenon has very little to do with culture. A significant example of this phenomenon is the failure of an agricultural demonstration project at Sagkeen. This example demonstrates Lithman's methodology in the study of culture.

Lithman argues that the development project failed because the lines of responsibility for its implementation were fragmented. The band council, the Department of Indian Affairs, private consultants, and the four reserve families chosen to operate the farms, each had conflicting responsibilities. The results of these conflicts were large cost overruns, long delays, and failed objectives. The four farm families were in a poor position to argue for more autonomy because intense rivalry had already occurred in the community over their selection. The project eventually broke down and the community withdrew from further development initiatives. Lithman argues that culture had little or nothing to do with this breakdown.

> The "cultural obstacles to change" were thus not of any other order than other factors entering into the Chief and Council's decision making opportunity (p. 141)
>
> The chief and councilors ... and the other community residents want(ed) to create an Indian community where the indignities of most interaction with white men can be avoided (p. 151)

Lithman argues that the emphasis on fairness and equality in community discussions was not a cultural issue, as Sagkeen residents maintained, but a reflection of material concerns. When 65 per cent of the community's total provisioning was channeled through the Chief and Council, material advancement depended on one's ability to influence this distribution mechanism. Lithman argues (1983)

> anyone's gain, be it money, a job, a house, or whatever, is regarded as another person's loss (p.139)

Thus disputes over the community distribution system, and about fairness and equality in material benefits were not, according to Lithman, cultural issues. They were simply a reflection of the community's dependence on white society, and on the band council as a channel for resources.

For Lithman this conclusion is further warranted because of his own, and Dunning's, empirical findings regarding acculturation.

> In every reasonable sense of the concept the selection of the farmers reflected actions which are most significantly analysed in terms of the cultural context. It is possible to see that what is involved here is what Bordieu called a habitus ... a created memory of past experiences (p. 140).
>
> The distribution mechanism, and its stress on egalitarianism, must thus be seen as one way in which experiences have been routinized. The experiences that have had the most substantial impact ... are those relating to inter-ethnic interaction, and their effect on the habitus can most easily be described as the creation of a wall of autonomy around the Indian community (p. 141)

The obstacles to change are not, therefore, cultural. They are an example of the inter-ethnic interaction pattern that Lithman has previously identified.

It is important to point out, however, that the residents of Maple River had a very different interpretation of these events from Lithman's. The residents did regard the issue as fundamentally a matter of culture. They did see the difficulty as one that involved cultural value differences between themselves and mainstream society. Lithman's account reveals that with regard to the failed agricultural project the community believed

> it is possible to define "fair shares" and that Indian society from Aboriginal days to and including the present, has been characterized by sharing while white society has and is characterized by competition (p. 139).

In another example Lithman indicates that the band council had to weigh their decisions very carefully regarding allocation of resources because of possible perceptions of unfairness. Disputes over fairness could lead to political repercussions for the band leadership.

> an acknowledgment of the stark principle of competence in farming and allowing this to be the guiding principle in the selection of farmers would be an unacceptable ... denial of fair share principles. Indeed, to sidestep the equitability principle would have been a denial of the Indianness of one's work and the Indianness of the community ... Equality is one ideological underpinning of being Indian.(p. 140)

Lithman deals with these examples of the community's perceptions of issues in a very particular way. He reinterprets the community's view as a "cognitive articulation" (p. 139) of what is, in his view, a situation of material scarcity and dependence on the band distribution system. In the second example, the community's interpretation is construed as an example of "opposition ideology" at Maple River (p. 140).

Lithman treats the community's perception of cultural issues as ideological and symbolic. He then substitutes his own interpretations for those of the community. This raises very fundamental questions in the study of culture. In such a study a determination must be made as to whose interpretation of the meaning of events will be taken as definitive. Roger Keesing (1981) points out that

> To look at a way of life through the eyes of native actors, in terms of cultural meanings and values ... presents us with what are ultimately illusions. These cultural systems depict as eternal and cosmic what have been created by humans in real political and economic contexts and are constantly changing. If we look at a culturally defined world as "real," we are left without a theory of change, or a clear conception of how ideational systems are rooted in social realities (p.370).

These are the objections that Lithman has raised, both to the "cultural obstacles to change" explanation for underdevelopment, and to the ideological notions of fairness and equality espoused by residents at Maple River.

Keesing (1981) points out that this "objective" approach is problematic

> If we treat the view from within as an illusion we insufficiently appreciate the meanings and motives of native actors and the richness of cultural structure ... more deeply troubling, the analyst who steps outside a people's own world of cultural meanings to treat them as illusions assumes that the realities he or she substitutes for them are absolute (p.370).

Based on his observations as an outsider, Lithman has concluded that traditional culture is no longer relevant to this community. He does so in spite of the insistence by the community that cultural differences are meaningful and real.

Keesing (1981) argues that neither the "objective" approach nor the "subjective" view are sufficient in themselves. A balance must be maintained between both approaches.

> There is no alternative, if we are to understand Trobriand life, than to immerse ourselves deeply in these symbols and meanings and, in the process, to take them as our realities.
>
> An adequate anthropological conception must take both a view from within and a view from without (p.370).

Marvin Harris (1988) takes a similar approach.

Lithman has rejected what he believes to be an overly simplistic concept of culture contained in the "cultural obstacles to change" theory. But he has not replaced this with a concept of his own that is more subtle, profound, or flexible. Instead, in determining that traditional norms are no longer relevant to Maple River, Lithman has assumed that modernization and acculturation have taken their place.

But Marcus and Fisher (1986) argue

> Westernization is much too simple a notion of contemporary cultural change. The cultures of the world's peoples need to be constantly re-interpreted as these people re-invent them ... External systems have their thoroughly local definition and penetration and are formative of the symbols and shared meanings of the most intimate of life worlds of ethnographic subjects (pp.24, 51).

Not only is Lithman's work problematic from a methodological perspective, but it appears that Dunning, on whose analysis Lithman heavily depends, has used a similar methodology. Dunning (1964) based his conclusions on the study of "Pine Tree," a Southern Ontario Ojibwa community. His findings in this community were generalized to all "southern" Aboriginal communities. Dunning apparently identified, in advance, the cultural markers that he believed would indicate the contemporary presence of traditional culture. Having searched for these markers at Pine Tree, and found none present, Dunning concluded

> In terms of linguistic knowledge, kinship obligations-relations, marriage and the family, mythology, and magico-medical therapeutic practices, the population isolate is by no means unified within the boundaries of traditional Ojibwa norms.

On this basis Dunning (1964) concluded that the people of Pine Tree were fully acculturated.

> These (are) persons who appear to have lost the essence of their traditional culture and who themselves would have been lost in the larger population but for government protection (p.35).

Nowhere, however, does Dunning indicate that the people of Pine Tree were given the opportunity to identify for themselves what may constitute the "essence" of their culture. The "markers" that Dunning chose were those that were outwardly observable by the researcher, rather than those inwardly perceived by the residents. Dunning's criteria for choosing these markers of "Indianness" were that they be:

1) "easily observable and could be collected on a short field trip".(p. 4)
2) "related to public or social behaviour" (p. 4)

Dunning further states that his study "is in no sense ... an adequate ethnography of the society" (p. 4).

It is indeed questionable whether generalizations about the acculturation of large populations should be made on the basis of a brief study, and on ethnography that is acknowledged to be insufficient. This casts even further doubt on Lithman's conclusions since he relies heavily on the conclusion that Dunning has "demonstrated" that traditional culture is no longer relevant to southern communities.

Indigenous Views of the Relevance of Traditional Culture

Aboriginal people at Maple River, and elsewhere in Manitoba, clearly do not accept interpretations of their cultural orientations such as Lithman's or Dunning's. The Manitoba Chiefs, in their response to the assimilationist proposals of the infamous White Paper of 1969, argued that their cultural uniqueness was the fundamental basis upon which all future planning and decision-making for their communities should occur. This insistence on the importance of culture did not signify that the communities wished to disengage from contemporary reality and preserve a static and outmoded tradition, as Lithman suggests. Instead the Chiefs stated

> We are a 20th-century people, not a colourful folkloric remnant. We are capable and competent and perfectly able to assess today's conditions and develop ways of adjusting positively and successfully to them

This engagement with contemporary reality, and adaptation to it, however, does not, for the chiefs, indicate acculturation, or that traditional culture is of no existential importance to contemporary Aboriginal peoples. Again the Chiefs have insisted

> We are determined to remain a strong and proud and identifiable group of people ... we refuse to have our lives directed by others who do not and who can not *know our ways*.(emphasis added)

The Royal Commission on Aboriginal Peoples (1996a), after extensive interviews across the country with Aboriginal people, came to a similar conclusion. The Commission summarized their findings as follows

> Reflecting on the descriptions of Aboriginal life, philosophy and spiritual practices presented to us, commissioners came to a number of conclusions. We arrived at the shared conviction that there is an Aboriginal world view that assumes different features among different peoples across Canada. We became convinced that distinctively Aboriginal ways of apprehending reality and governing collective and individual behaviour are relevant to the demands of survival in a post-industrial society. And we concluded that this heritage must be made more accessible to all Canadians (p.616).

Aboriginal people continue to assert that their culture is a distinctive and experiential reality, and that planning for their future development should be rooted in their uniqueness as a people. Any proposal for the restructuring of Aboriginal communities, therefore, should take distinctive cultural concerns into account as a central consideration.

Culture as a Political Organizing Tactic

A second approach to analysing the significance of traditional culture for Aboriginal people in Manitoba is that taken by Sawchuk (1978) in his analysis of the reformulation of the ethnic identity of the Manitoba Metis through the Manitoba Metis Federation. Sawchuk's analysis lies midway between Lithman's approach, which gives little or no importance to culture, and one which makes culture the central feature of the development process.

Sawchuk studied the emergence of the Manitoba Metis Federation (MMF) as a vehicle for the preservation and reformulation of ethnic group identity. The process had an ultimate goal of enabling Metis people to emerge from situations of poverty and political powerlessness. Early in his research Sawchuk faced the question "whom are you studying?" (1978, p. 3). This question led to an assessment of two approaches for determining ethnic identity.

The first is termed "subjectivist" and is represented by Barth, Moerman, and Bessac (Sawchuk, 1978, p.8). This approach concentrates on self-identification as the means by which the boundaries of an ethnic group are determined. The second approach is referred to as "objectivist," and utilizes criteria observable by outsiders such as territorial contiguity, language use, and racial type (Sawchuk, 1978, p.8).

Sawchuk found he was unable to utilize either approach. Both failed because both relied on cultural markers as a means of identification. One set of markers was self-identified, the second was observable to outsiders. Sawchuk was unable to find any markers, subjective or otherwise, that would apply to all persons who would be considered eligible for membership in the Manitoba Metis Federation.

> There is almost no way to isolate and identify the contemporary Metis using any of the "cultural markers" Barth suggests ... It can't be done with language, dress, dwelling type, or basic value orientation.

Sawchuk concluded that it was "wiser to forget about isolating the cultural markers and concentrate instead on the social processes that delineate ethnic groups." He further concluded (1978) that

> the political uses of ethnicity were particularly important ... In fact, the manipulation of the concept of Metis ethnicity by the formally constituted Manitoba Metis Federation was primarily a political and economic strategy (p.11)

Sawchuk found that the primary integrating factor for MMF membership was not culture, but political and economic organizing. He indicates that this was a particular characteristic of the Manitoba Metis, and he does not suggest that trait-based approaches are irrelevant to all ethnic groups. His experience also cannot be taken to mean that there were *no* distinctive cultural features to be found among *any* members of the MMF. Sawchuk simply found that a common cultural orientation was not a characteristic all members of the MMF. Some of his informants were conscious of a distinct culture. For example one informant stated

> Where I come from (I'm a rancher) you are judged by the number of cows you own ... *Our* value system is based on human beings. Human beings are more important than cows, or high academic standing, or the degrees that go with it, or bank accounts, or you name it. ... When I say value system, I would say that the

> native people ... live in a more or less communal society, where they believe that they should share, and they *do* share ...

Sawchuk states that when the Metis make such statements they are making a clear distinction between themselves and the dominant society and they are often critical of the mainstream value system. He writes (1978)

> Notice that the distinction made here is between Metis and white values, not Metis and Indian ones. The Indian and Metis share virtually the same value system (p.41)

Sawchuk argues that while this alternative value system does not necessarily reflect the world view of all Metis, it is becoming increasingly useful as a political and economic organizing tool

> Many Metis are making new attempts to create a viable identity, even to the extent of drawing upon cultural symbols of a group that a few years ago was considered nearly extinct and which often has little connection with their own background (p. 44).

In this instance, a Manitoba Aboriginal group was undergoing a political and economic organizing process. Cultural traditions were used as a tool or a focal point for uniting people and reconstructing individual and collective identities. Distinctive culture is not necessarily a subjective, experiential reality for all members of the group, but was used as a powerful unifying symbol, important for building a distinct identity.

Culture as the Centre of Social Development

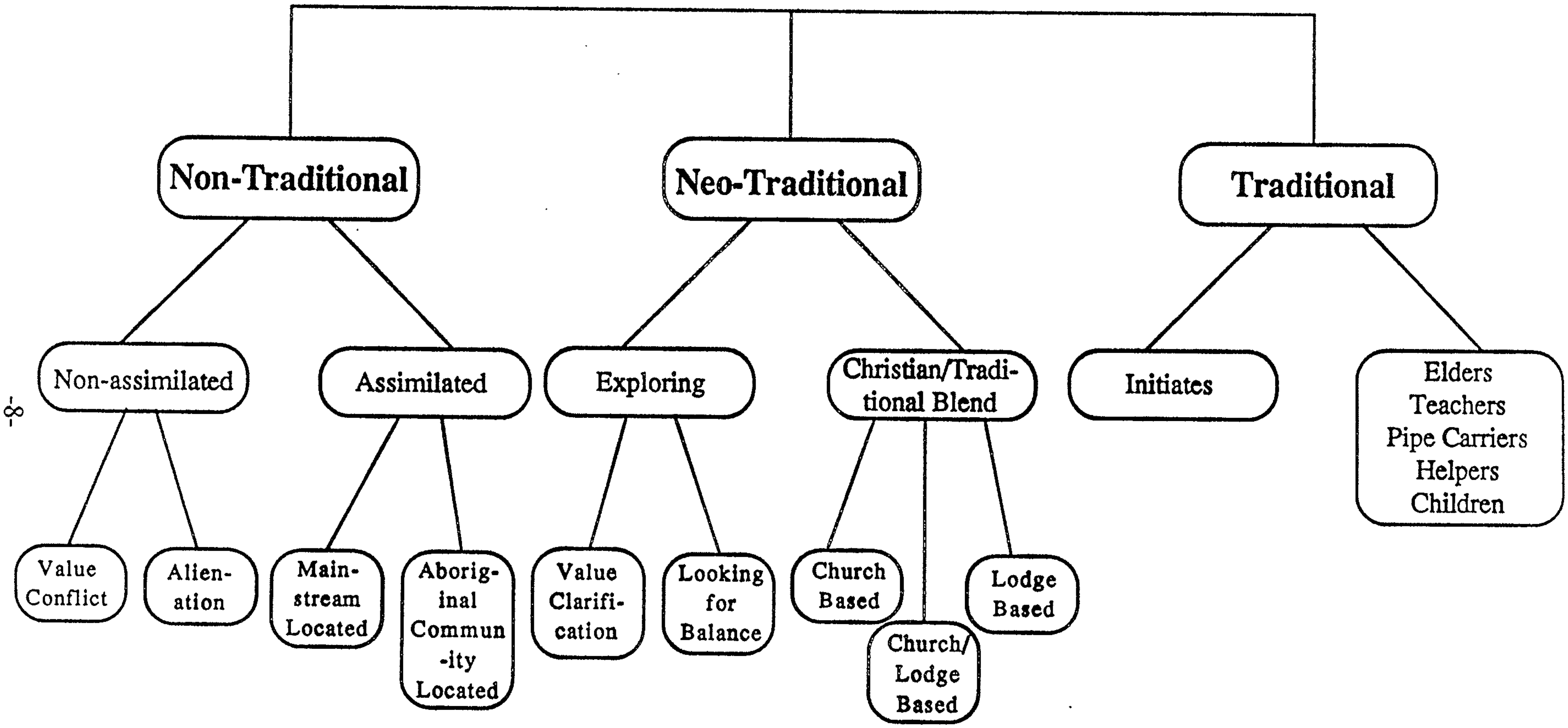
A third approach to analysing the significance of culture for contemporary Aboriginal people is to see the collective expression of culture as the central objective in a community organising process. In this view culture is seen as both a contemporary experiential reality and a set of traditions with which people can associate and identify. It is a concept that can unify all other strategic activities. This approach is taken by Morrissette et. al. (1992) in their proposal for developing a comprehensive set of culturally-based alternative institutions for the Aboriginal community in Winnipeg. Weibel-Orlando (1991) found this view to have the greatest explanatory value in her ethnography of the Aboriginal community in Los Angeles. Hanson (1985), Asch (1992), Cornell and Kalt (1990), the Manitoba Indian Brotherhood (1971), and the Royal Commission on Aboriginal Peoples (1996) have all argued for variations of this model.

In contrast to simple dichotomies between "traditional" and "modern" such as Lithman's, or the search for traits that characterize all members of the group, as in Sawchuk's work, these models acknowledge a wide range of cultural orientations within the Aboriginal community. Such diversity reflects the varying degrees of salience that cultural issues may have for particular individuals, and the diversity of tribal traditions that may be represented in a heterogeneous urban community.

Thus Morrissette et al (1992) develop a continuum of cultural orientation patterns for Aboriginal persons in Winnipeg. These orientations range from Traditional, to Neo-Traditional, to Non-Traditional. Subcategories within these divisions create finer gradations (Figure 10.). Morrissette argues that individuals can, and do, change orientations along this continuum from time to time.

Weibel-Orlando (1991) creates a similar continuum for the Los Angeles Aboriginal community. Orientations to culture range from "Traditional" to "Progressive," and there are subdivisions within these categories involving rural and urban orientations, various tribal affiliations, and "full-blood" and "not full-blood" differences (Figure 11.). Hanson (1985) believes that the conceptual orientation of Manitoba Aboriginal people ranges

Figure 10. **A Continuum of Possible Identification with Traditional Aboriginal Culture**


Non-Traditional
Neo-Traditional
Traditional
Non-assimilated
Assimilated
Exploring
Christian/Traditional Blend
Initiates
Elders
Teachers
Pipe Carriers
Helpers
Children
Value Conflict
Alienation
Mainstream Located
Aboriginal Community Located
Value Clarification
Looking for Balance
Church Based
Church/Lodge Based
Lodge Based

NOTES: 1. These categories are not discrete designations. The location of individuals is related to 500 years of contact, tribal/nation differences and the development of culture alongside of mainstream culture.

2. An individual can be at any point along this continuum at any given time. Thus movement back and forth is both possible and likely.

Source: Morrissette, et. al. 1992

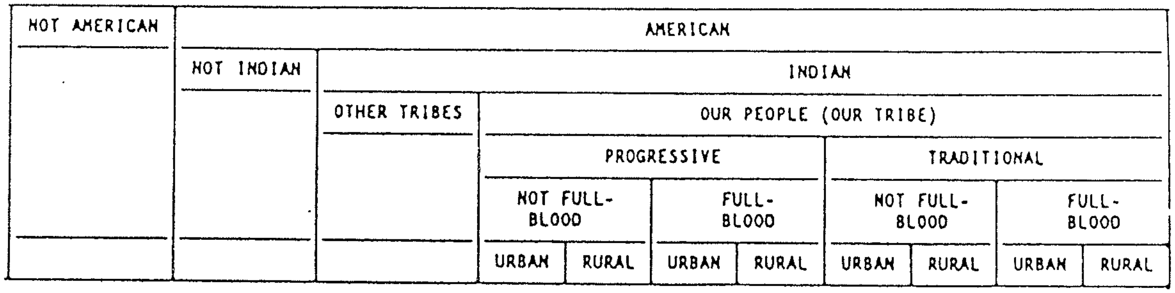

NOT AMERICAN
AMERICAN
NOT INDIAN
INDIAN
OTHER TRIBES
OUR PEOPLE (OUR TRIBE)
PROGRESSIVE
TRADITIONAL
NOT FULL-BLOOD
FULL-BLOOD
NOT FULL-BLOOD
FULL-BLOOD
URBAN
RURAL
URBAN
RURAL
URBAN
RURAL
URBAN
RURAL

Figure 11. American Indian Ethnic Categories

Source: Weibel-Orlando, 1991

between what he calls a "subsistence orientation" and an "industrial orientation." These "dual realities" call for "dual strategies" in development. Although Hanson speaks of dualities, in fact, he makes clear that he is referring to a continuum orientations falling between these two extremes (p. 24).

This acknowledgment of diversity within a general cultural orientation presents a much more comprehensive picture than do simple dichotomies of how culture is shared within a group of people. Such comprehensiveness is particularly important in a heterogeneous community such as William Whyte where individuals have experienced varying degrees of acculturation, or where there is a diversity of tribal traditions. The need for such comprehensiveness has long been recognized in theories of culture.

Roger Keesing writes (1981)

> In real communities of Manus and Bulgarians the knowledge of the world organized in the minds of individuals varies from person to person, from subgroup to subgroup, from region to region ... yet individuals share a common code.
>
> In the real world the knowledge we describe as cultural is always distributed among individuals in the community (p.72)

Ward Goodenough (1994) expands on this point

> Each person has his or her own idiolect (or personal speech pattern). The same is true of people's understanding of what they consider to be customary practices, values, and beliefs - the culture - of groups in which they function as members ... A community carries among its members a number of different traditions, each with its own history.
>
> The cultural makeup of a society is thus to be seen not as a monolithic entity determining the behavior of its members, but as a melange of understandings and expectations regarding a variety of activities that serve as guides to their conduct

> and interpretation. The content of these understandings keeps changing over time as the frequency and contexts of interaction change (pp.266,267).

Thus identifying a cultural basis for community development does not utilize, as Lithman has charged, a concept of culture that is rigid and all encompassing, and which permits little adaptation or change. Nor does it require widespread uniformity among all members of the community, as Sawchuk assumed.

This approach to culture suggests that although there is wide diversity, there is a common core of cultural values and beliefs. It is around this core that members of a heterogeneous neighbourhood such as William Whyte may begin to find sufficient consensus to start to build culturally-based community institutions. While non-Aboriginal participants in NEHP may not identify with these institutions, they may nevertheless find value in them. They may also acknowledge their importance to Aboriginal participants, and agree to incorporate them into the program.

Weibel-Orlando (1991) describes the way in which the Indian community of Los Angeles was able to build culturally-based institutions while at the same time accommodating considerable diversity

> All of the usual markers, the whole cloth of community (common territory, mutually intelligible language, and shared ethos) appear at first glance to be missing in the Los Angeles Indian community. Yet its members have created a negotiated community. Choosing to ignore or to suspend the salience of ethnic markers that would have been divisive, Los Angeles Indians underscore and make salient those notions of traditional Indian ethos and lifeways that a critical mass of its members agree are shared pantribal traits and values (p.7).

The M.I.B. (1971, p.45) make this point in their proposal for comprehensive, indigenously controlled community development. They acknowledged, first of all, the diversity of tribal traditions among Manitoba First Nations.

> Historically Manitoba has been occupied predominantly by Sioux (Dakota), Cree, the plains Ojibway, and Chipewyans.
>
> The culture areas of Manitoba are the Barren Lands, the Precambrian Shield, the Boreal forest area, and the Plains.

Having recognized this diversity, however, the M.I.B. also believes that it is possible to build culturally-based development on an underlying set of common values and traditions.

> The various cultures of the tribes mainly conformed to the areas, but they had one common way of life - and that was the tribal life.

The Royal Commission on Aboriginal Peoples (Canada 1996a) arrived at a similar conclusion

> We arrived at the shared conviction that there is an Aboriginal world view that assumes different features among different peoples from different locales but that is consistent in important ways among Aboriginal peoples across Canada (p.616).

Not only is there diversity in the cultural traditions with which individuals identify in the Aboriginal community of Winnipeg, but there are various forms that such identification may take. Morrissette et. al. (1992) build on a distinction made by Anderson and Frideres (1981) between cultural awareness, and cultural consciousness. Cultural awareness denotes a knowledge of culture which may, or may not, be of personal importance to the individual. Cultural consciousness refers to a subjective orientation to cultural patterns that is intrinsic to a person's thought world and deepest value commitments.

For those with a cultural awareness, the building of culturally-based community institutions is a process of re-identification with, or reacquisition of, traditions that have been lost to the person as an individual. For those who retain a cultural consciousness, culturally-based development builds community institutions that are congruent with an inner subjective reality. As Morrissette (1992) found in working with Aboriginal youth in

Winnipeg's inner city (and as the Royal Commission heard repeatedly in its consultations across the country [1996c, p.530]) the building of culturally-based community institutions can be a powerful means of healing for individuals whose self-esteem has been lowered through a process of social and political domination, or who have internalized negative racial stereotypes (Canada, 1996; Duran & Duran, 1995; Morrissette, 1992)

Such an analysis conceptualizes development as more than simply a process of economic improvement. It is seen as social and cultural revitalization through collective action. Such an approach is in sharp contrast to conceptions of development advocated by Indian and Northern Affairs Canada (INAC).

Indigenous Development versus Official Models

McArthur (1989) has summarized the approach to development taken by the Department of Indian Affairs

> One finds many references in government documents and literature to Indian or Native "economic development." It is usually extremely difficult to find a clear definition of what the term is assumed to mean. The Department of Indian Affairs, for instance, uses the term to apply to business development and so-called human resources development programs. Business development is described in departmental documents as involving enterprise financing through the Indian Economic Development Fund, and the provision of management advisory services to Indian owned businesses.

Aboriginal spokespersons have been critical of such approaches continuously since they were first introduced in the late 1960s. They are seen as narrow, insufficient, and culturally inappropriate. Many argue that such models hasten assimilation because they impose structural forms upon Aboriginal communities that undermine their traditional social institutions. These strategies heighten divisions and break down communal patterns by employing structures based on individualism and competition. (This was the criticism made by Sagkeen residents in Lithman's case study)

Strator Crowfoot, Chief of the Blackfoot in Alberta called the Canadian Aboriginal Economic Development Strategy (CAEDS) "another step by government to dismantle its obligations to Treaty Indians" and "an attempt to mask the government's on-going process of assimilation." (quoted in Elias, 1991, p.33).

Michael Asch (1992) has described the traditional pattern of productive relations among the Dene of the Mackenzie Valley

> On the one hand, there is what I have called the bush subsistence mode of production. From it, the Dene provided for themselves, through locally produced and finished goods, many of their subsistence needs. This is done within a framework in which co-operative labour, collective economic responsibility, communal land tenure, and the mutual sharing of surpluses are valued and institutionalized.

Asch argues that it is particularly important that the Dene retain these social structures through the process of development. Only through complete indigenous control of development can the Dene prevent the intrusion of potentially alien social structures which will disrupt traditional patterns. Disruption of Dene society is already evident in the effects of government transfer payments in the community.

> As in other capitalist transactions, these payments are made directly to individuals or heads of the nuclear family. Thus, they emphasize the separateness of these units and individualize ownership of property ... The payment of welfare to individuals and nuclear families isolated poverty and created a division between "rich" and "poor." Thus, it not only relieves the community of its traditional responsibility to share mutually, it actually provides the context for the penetration of its opposite tendency ... social differentiation based on relative wealth.

Jack Beaver (1979) made a similar observation in his report to the National Indian Socio-Economic Development Committee. He argued

> Intervention by Indian Affairs in the form of "packaged" manpower and training courses and other "ready made" goods and services will not promote development. Indeed, such intervention, by creating "have" and "have not" classes both within and among Indian communities, may only further exacerbate the problems of a dual economy and the tensions resulting from social stratification (p.29).

Such observations indicate that NEHP must be cautious in simply adopting ready-made structures and forms in its community development activities. Culturally appropriate development cannot be predicated simply on the economic advancement of particular members of the community nor can its objectives be simply to increase participation in mainstream society. Appropriate development must be designed and controlled by the local community, it must build on local cultural values, and it must contribute to collective unity rather than increased divisions. Because of differences between communal subsistence cultures and mainstream capitalist cultures, such development may utilize structures that are viewed as unorthodox in mainstream economic development practice. A term that is often applied to such a comprehensive approach, and which encompasses economic, social, cultural, and political objectives, is "wholistic" development.

Wholistic Development

There are essentially two grounds on which calls for wholistic development are made. The first is pragmatic. As already discussed, development must address not only economic advancement but also social, political, and cultural issues.

The M.I.B. identified this need in *Wahbung* (M.I.B., 1971) and Jack Beaver (1979) articulated the same point in his report to the NISEDC.

> Programming for development has separated the elements of social structure, culture, economics, and band government and treated them as disconnected

> "things" rather than the threads of a fabric of a single reality. The understanding of Indian culture as a whole has never been reflected in Indian Affairs policies.

The M.I.B. (1971) stated

> In developing methods of response and community involvement it is imperative that we, both Indian and Government, recognize that economic, social and educational development are synonymous and thus must be dealt with as a "total" approach rather than in parts (p. xv).

Twenty-six years after the publication of *Wahbung* and the Beaver Report, the Royal Commission on Aboriginal Peoples made the same criticism of the federal government's latest development program the Canadian Aboriginal Economic Development Strategy (CAEDS). The RCAP (Canada, 1996b) stated

> Development policies and programs should be designed and delivered by Aboriginal institutions ... No program comprehensively addresses all elements of economic development; CAEDS was designed to do so but was not implemented as designed (p.837).

A second reason for advocating a wholistic approach is that wholism is considered to be consistent with Aboriginal approach to conceptualizing and addressing problems (Canada, 1996b, p.845). Many Aboriginal spokespersons assert that in Aboriginal thought patterns complex issues are not divided into constituent parts for analysis and eventual resolution. Instead, attempts are made to address overall patterns comprehensively, and to maintain or restore balance among component parts.

The Four Winds Development Project (1988) was convened in 1982 in Alberta to address chemical dependency issues among Aboriginal people (FWDP, 1988, p.4). The council put forward a series of principles for addressing dependency problems, and for promoting the social health of communities. These principles were developed at a gathering of over

100 elders and cultural leaders representing over 40 tribes from across North America. The first principal put forward was that of "wholeness" (1988).

> All things are interrelated ... Everything in the universe is part of a single whole. ... We can understand something only if we can understand how it is connected to everything else.
>
> We are born into this world with wholeness. Along the path of life we sometimes have experiences that shatter this wholeness. If we have been hurt and broken apart, we need to be made whole again (pp.25-29).

A similar principle was identified by the First Nations' Resource Council which met in Calgary in 1989 to develop a set of culturally appropriate social indicators for community controlled development for CAEDS (Gadazc, 1991). The consultation was initiated on the assumption that mainstream social indicators may not reflect the priorities and concerns of the Aboriginal people. Again the group identified wholeness as a primary principle in restoring health to communities. The council created a diagram based on the Plains Indian medicine wheel that incorporated the various elements of a balanced and healthy community life. This diagram was then used in all subsequent discussions.

Robin Ridington (1982) has described the role of wholistic thinking as an adaptive strategy in a traditional subsistence mode of economic production

> hunters and gatherers typically view their world as imbued with human qualities of will and purpose ... They internalize detailed information about topography seasonal changes and mineral resources. They plan their own movements in relation to the information they hold in mind about the world in process around them ... Instead of attempting to control nature, they concentrate on controlling their relationship to it ... The carrying device is an essential artifact of hunting and gathering technology, but the technique of being able to carry the world around in your head is even more fundamental.

It is this origin in the hunter-gatherer ethos that forms the basis of many culturally specific proposals for development in Aboriginal communities. Hanson (1985) has argued that this "subsistence" orientation continues to be relevant for many individuals in Manitoba at

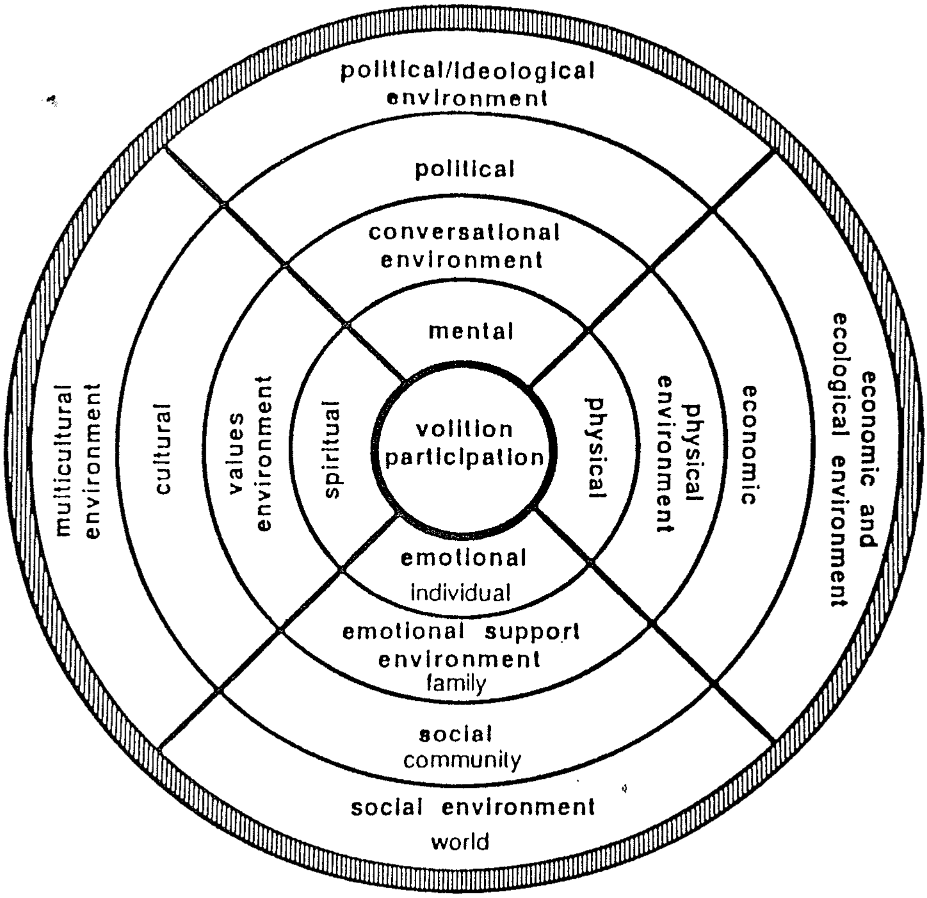

political/ideological environment
political
conversational environment
mental
multicultural environment
cultural
values environment
spiritual
volition participation
physical
physical environment
economic
economic and ecological environment
emotional
individual
emotional support environment
family
social
community
social environment
world

Figure 12. Integrated and Holistic Human and Community Development: The Hoop of Life, or Medicine Wheel [Four Worlds Development Project n.d., p. 12]

Source: Gadacz, 1991

a cultural consciousness level. Morrissette et al (1992) have argued that these values are relevant for many others at the cultural awareness level.

Marshall Sahlins (1972) has attempted to summarize social and technical characteristics of subsistence economies. Many of his observations are pertinent to the tribal traditions of Aboriginal peoples in Manitoba.

Social Characteristics of Subsistence Economies

Sahlins (1972) argues that the conceptual and social orientation of hunting societies is radically different from those of industrialized or agrarian peoples. What many have deemed a "mere subsistence economy," or the "incessant quest for food," or elsewhere "life based on meagre and unreliable natural resources," Sahlins renames "the original affluent society" (1972, p.2). He cites a number of empirical examples that show that hunter-gatherers work relatively fewer hours per week than do most agriculturists and industrial workers. Hunter-gatherers enjoy a dietary balance and nutritional variety that can be characterized as abundance. They often exhibit behaviour patterns that suggest a sense of material confidence and economic security. What many have regarded as material deprivation in hunter-gatherer societies, in terms of inadequate clothing, property, or housing, Sahlins interprets as elements of a rational strategy to increase mobility and therefore to maximize productivity. Riddington (1982) and Wenzel (1995) share a similar view.

Central to the economic success of subsistence economies are social relations of exchange and sharing. These patterns are classified generally under the term of reciprocity. However, this concept, in fact refers to a continuum of behaviours. Sahlins outlines the patterns that make up this continuum. They include "altruistic giving," which means caring for those in need, and involves no expectation of return. The midpoint in the continuum is called "balanced reciprocation" in which sharing occurs, but unlike altruism, it involves a time-limited expectation of equivalent return. And the opposite end of the continuum from altruism is "impersonal exchange." This is a *quid pro quo* transaction such as barter, and generally occurs in interactions with those who are outside one's own community (Sahlins, 1972, p.195).

The social dimensions of reciprocity are as important as its material aspects.

> A material transaction is usually a momentary episode in a continuous social relation ... A great proportion of primitive exchange, much more than our own traffic, has as its decisive function this latter, instrumental one: the material flow underwrites or initiates social relations (Sahlins, 1972, p.185-6).

Such redistribution and exchange can be a function of kinship rank, and thus it can serve to reinforce or legitimate leadership. Reciprocity can also serve to strengthen social cohesion. Community sharing may protect needy individuals and families from material scarcity and economic hardship. The practice of reciprocity involves a continuous process of redistribution of material wealth and equalization of economic condition. As Sahlins writes (1972, p.205) "in primitive society social inequality is more the organization of economic equality."

Moral sanctions form a third strand in this social structure consisting of material, social, and normative elements. Sahlins quotes Oliver (1955) who states that

> although the Siuai have separate terms for 'generosity', 'cooperativeness,' morality,' and 'geniality,' I believe that they consider all these to be interrelated aspects of the same attribute of goodness.

Sahlins cites examples of reciprocity among the Plains Cree, the Northern Chipewayans, and the Assiniboine in the work of Mandelbaum, Hearne, and Denig, respectively (pp. 254, 267). Leacock (1986, p.150) provides an extensive description of reciprocity among the Montagnais and Naskapi. Dunning (1959, p.63,71) documents this pattern among the Ojibwa at Pekangikum, and Hallowell (1955, p.103) describes it at Berens River.

Clearly if development of Aboriginal communities is to be culturally based, the traditions that it must draw upon will be those of its subsistence origins. Part of this tradition is still extant in the contemporary practice of reciprocity. Development based on a subsistence orientation may entail the use of organizational forms that differ significantly from those of mainstream industrial capitalism. Decision-making may be collective and egalitarian. Distribution of benefits may be communal and may serve to redistribute wealth and to protect the needy from deprivation. Such values may be incorporated into community development project where all participants, Aboriginal and non-Aboriginal, recognize that non-market principles are operative, and in which participation, consultation, and egalitarianism are important values.

Cornell and Kalt (1990) in their empirical analysis at Harvard University of the conditions under which self-determined economic development has been successful in 15 Aboriginal reservations in the U.S. found that

> The primary social organizational factor has to do with the goodness of fit between patterns of tribal organization and centralized tribal governments ... Our hypothesis is that tribes with stark mismatches between culturally legitimated social organization and formal government structures do relatively poorly in reaching and implementing the collective decisions required for development (p.107).

Hanson (1985, p.18) argues that development which reflects the values of subsistence oriented Aboriginal people will differ from mainstream models in terms of decision-making structures, in the distribution of benefits, and in the comprehensiveness of approaches. Such an approach will involve first, horizontal, or "planeristic" decision-making structures. These structures will be collective and inclusive, and will operate on the basis of consensus.

Leadership in such models will reflect a pattern that was functional in the subsistence mode, in which responsibility shifted among individuals according to the expertise required in specific situations. Spiritual support was necessary for successful completion of community tasks, and flexibility of leadership was necessary because the support of the Manitous could ebb and flow among individuals.

Secondly, Hanson argues that the benefits from development must be distributed relatively evenly through the community so that

> no individual who remains a part of the band oriented web of relationship will be able to sink too far below or rise too far above a local standard (p.29-30)

Finally, traditionally oriented development will pursue non-economic as well as economic objectives, and will be oriented initially to meeting immediate needs rather than long-term, more abstract objectives.

> In keeping with the "ethos" of their hunting/food gathering past, there is little tendency toward accumulation of material wealth or acquisition of power and/or prestige. The strategy which is required demands that it be clearly needs oriented, responsive in short time frames, flexible to meet changing priorities, and respectful of the planeristic or horizontal concept of authority and organizational form. The framework of development is essentially a technically-aided, locally organized self help program (p. 60).

Hanson (1985, p.64) argues that co-operatives are an organizational form that can incorporate the characteristics described above. In the past, however, co-ops have been advocated in northern Manitoba, and elsewhere, as a kind of panacea for culturally appropriate development in Aboriginal communities. In Hanson's view, this strategy failed because it did not recognize that there is cultural diversity within Aboriginal communities themselves. Development authorities wished to implement the strategy relatively rapidly, and they were unprepared to allow time for consensual, collectively controlled processes to emerge. To expedite implementation, control of the co-ops was not kept in the hands of subsistence oriented residents, who were the intended beneficiaries. Instead

> management and control was handed over to selected individuals (who were) local change or industrial oriented (p.65)

The problem in the use of co-ops was not the organizational structure itself but the manner and speed with which it was implemented.

Hanson further argues that entrepreneurial forms of business also failed in Northern communities because community members tended to be resistant to the individualistic and hierarchical nature of private enterprise. Individual owners were seen as attempting to stand out from the collectivity, or to rise above others in social status. Consequently community residents avoided patronizing such businesses and they could lose up to half of the market in a community. This pattern of resistance has been observed in a number of other communities (Armstrong, 1989; Ponting, 1986; Beaver, 1971)

Hanson advocates the implementation of a mixture of organizational forms in a balanced manner in communities, so that individuals with diverse cultural orientations can all take part in development. The RCAP (1996b) has made a similar recommendation. They argue that there is

> little benefit in categorizing approaches to economic activity using outmoded ideological constructs, such as the idea that collectively owned entities should disdain profit or that individually owned enterprises or shareholder-owned corporations should be driven solely by the bottom line (p. 887).

The RCAP has indicated that a wide variety of organizational structures and have proven viable in Aboriginal communities including individual proprietorships, partnerships, corporations, co-ops, joint ventures, and crown corporations. These have been both for-profit and non-profit, and have pursued a wide variety of objectives apart from earnings maximization. These have included re-investing in the firm, funding of community facilities, support for cultural or social activities, and hiring more individuals than were warranted by the business.

A survey of neighbouring Lord Selkirk Park community (Neechi Foods, 1994) found that 71 per cent of residents believed that community ownership was the type of business ownership best suited to their neighbourhood. The percentage was slightly higher among the Aboriginal respondents to the survey at 74 per cent. A study of 26 Aboriginal bands in Ontario found that 21 favoured band ownership of enterprises over individual ownership (cited in Elias, 1991).

Ownership and decision-making structures, and the distribution of surpluses, will vary according to communities, the specific objectives of the project, and the human and material resources available. Control of development must be firmly in the hands of the community affected so that they have the autonomy to evolve structures most suited to the particular cultural orientation of individuals who are project participants.

In rural communities discussion of the autonomy of the local community leads rapidly to the issue of Aboriginal self-government and related discussions of settlement of land claims, local taxation powers, the extent of jurisdiction and a range of other issues. The concept of community autonomy is more complex in urban areas where Aboriginal populations are more heterogeneous, where geographical boundaries are less distinct, and where Aboriginal people and non-Aboriginals share communities. Far less discussion has occurred concerning Aboriginal self-government in urban areas because of these factors.

Where Aboriginal self-government in urban areas has been discussed, generally three models of the concept have emerged. These can be considered for their relevance to William Whyte.

Three Models of Urban Aboriginal Self-Government

Three models have emerged so far in the sparse debate on urban Aboriginal self-government. They are first, the extraterritorial model, where authority is based in Aboriginal communities outside the city, and where jurisdiction is exercised over reserve members who live in the city. This model is operative in Winnipeg in the form of the Canada/Manitoba/Indian child welfare agreement which allows regional Aboriginal authorities to exercise jurisdiction in child welfare cases over the children of band members who live in the city (Wherrett and Brown, 1995). As devolution of authority over band affairs progresses in rural reserves, proponents of this model would see an extension of tribal authority over band members who live in urban centres.

While this model may be appropriate for administering child welfare, health care, and other specific social services, it is not likely to be a model that is well suited to unifying and governing a community such as William Whyte. In this model decision-making is based outside of the local community, jurisdiction is divided among various tribal councils, and self-government would not include Aboriginal people who no longer have affiliations with a provincial tribal councils. This model would tend to divide, rather than unify, jurisdiction over the community, and there would be no provision to include non-Aboriginal people in the process of development. This approach would not seem to be the best option for enabling William Whyte to address its collective needs.

A second approach is referred to as the neighbourhood model. This approach assumes that Aboriginal people would exercise jurisdiction over a specific locality in which their members make up a numerical majority. This kind of proposal, in fact, has a significant history in Winnipeg. An early and prominent example was the Neeginan project initiated in the mid 1970s by a group of urban Aboriginal leaders. The project attracted significant government funding for a feasibility study of an Aboriginal village that would house culturally-based social services, settlement services for new migrants to the city, and Aboriginal businesses that would serve the local community (Krotz, 1981).

Neeginan was controversial because, as some argued, it would have created an intentional ghetto in the core area that could stigmatize residents, and could inhibit successful integration to the wider urban environment. Other observers, such as Earl Levin, the head of planning for the city of Winnipeg, argued that the "ghetto model" would be helpful. Levin argued that ghettoes had provided a support base for other ethnic groups such as Jews and East Europeans in becoming established as urban residents, and Neeginan could do the same for Aboriginal new arrivals (Krotz, 1981).

Community meetings were held, extensive architectural designs were made, but when the feasibility study was completed, government support for implementation was not forthcoming. Eventually the Neeginan corporation simply disbanded.

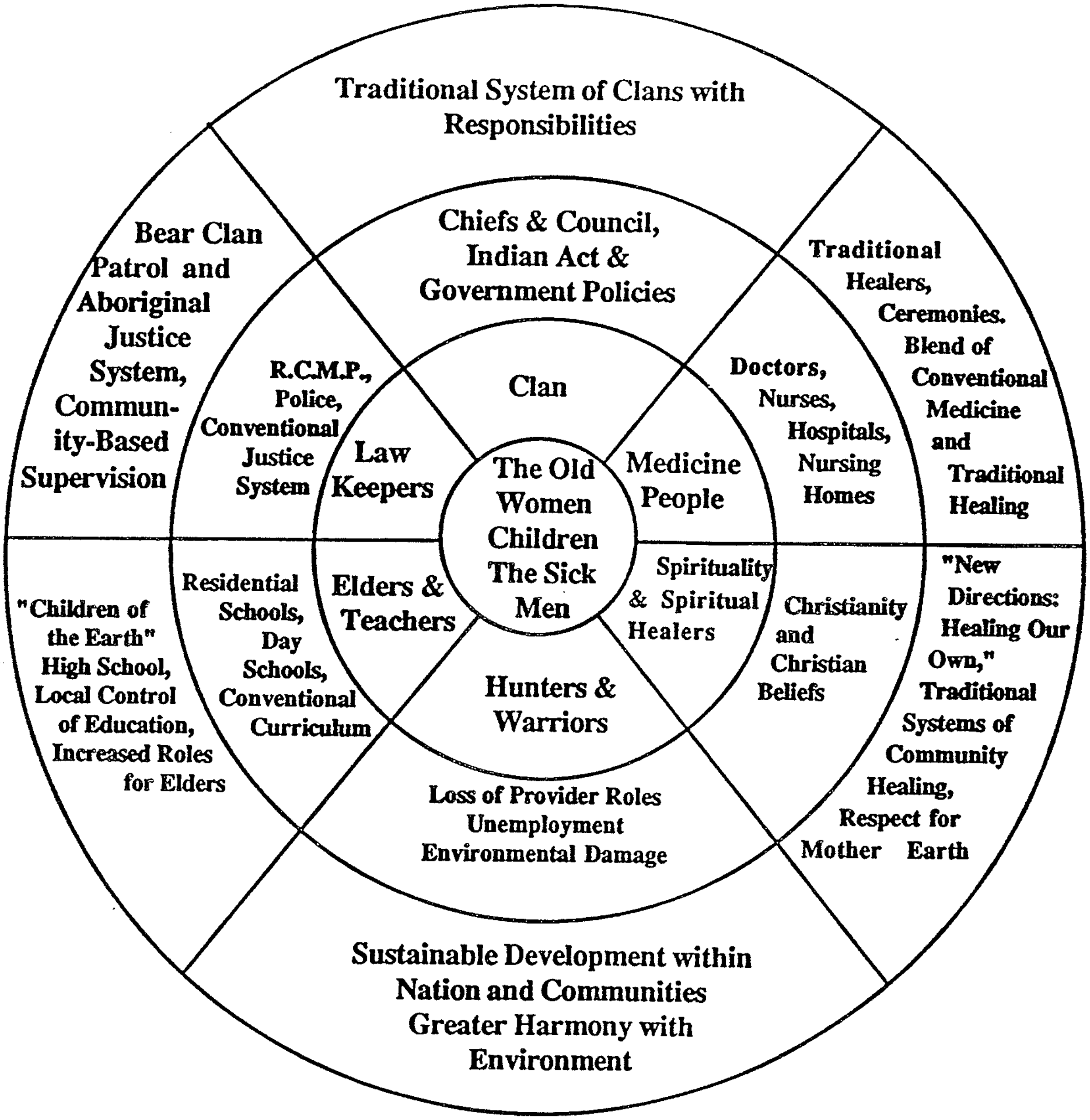
The neighbourhood model is inappropriate for William Whyte. Aboriginal people make up 38 per cent of the population of that neighbourhood. The remaining 62 per cent are a significant majority. It is simply not feasible that a minority, significant as it is, could exercise culturally based jurisdiction over a such a large majority.

A third model for urban community self-determination involves no immediate political impediment. This is referred to as the Community of Interest approach (Wherrett and Brown, 1995) In this approach the Aboriginal community develops specific culturally-based institutions to address a broad array of needs such as housing, education, safety, social services, health care, and other functions of community life.

A specific version of the community of interest model for Winnipeg has been developed by Morrissette et al (1992) (Figure. 13). This model proposes that a comprehensive set of Aboriginal institutions could be developed that meet the needs of the urban population in a culturally-appropriate way. In this model the colonization process is considered to have disrupted the original indigenous Aboriginal institutions. Having rendered traditional institutions dysfunctional, the colonizing governments imposed alien, culturally inappropriate institutions in their place. Morrissette calls for the replacement of these colonial institutions with newly created, culturally-based, Aboriginal patterns.

Morrisette et al (1992) point to the creation of Children of the Earth High School, and Nijimahkwa Elementary School, as examples of culturally based institutions in the area of

Figure 13. Circles of Development: Traditional Systems, Colonization and Decolonization



Traditional System of Clans with Responsibilities
Chiefs & Council, Indian Act & Government Policies
Clan
Bear Clan Patrol and Aboriginal Justice System, Commun-ity-Based Supervision
R.C.M.P., Police, Conventional Justice System
Law Keepers
Traditional Healers, Ceremonies. Blend of Conventional Medicine and Traditional Healing
Doctors, Nurses, Hospitals, Nursing Homes
Medicine People
The Old Women Children The Sick Men
"Children of the Earth" High School, Local Control of Education, Increased Roles for Elders
Residential Schools, Day Schools, Conventional Curriculum
Elders & Teachers
Spirituality & Spiritual Healers
Christianity and Christian Beliefs
"New Directions: Healing Our Own," Traditional Systems of Community Healing, Respect for Mother Earth
Hunters & Warriors
Loss of Provider Roles Unemployment Environmental Damage
Sustainable Development within Nation and Communities Greater Harmony with Environment

NOTES:

1. During the pre-contact and peaceful co-existence periods Aboriginal societies were based on a family/clan system with respective roles and responsibilities.
2. As a result of internal colonialism traditional Aboriginal systems and roles were destroyed and replaced with institutions from the dominant society.
3. Decolonization involves, in part, the replacement of conventional systems with systems which re-integrate aspects of traditional systems destroyed during colonization.
4. Concepts illustrated in this model reflect the collective contributions of Elders and many other Aboriginal people. Special acknowledgement includes Robert Daniels, David Blacksmith, Marilyn Fontaine, Linda Clarkson, Wilfred Buck and Judy Williamson.

Source: Morrissette, et. al. 1992

education. The Bear Clan Patrol was a culturally-based community safety organization that provided community policing and dispute resolution. Ma Mawi Chi Itata Centre (for whom Morrissette and Morrissette were directors) is an example of culturally-based child welfare and family support services.

Ponting (1986) argues that such institution-building can proceed to the point where a community achieves what he calls "institutional completeness." In Ponting's view this has been achieved at the Khanewake Mohawk community of Montreal. He refers to Khanewake as "a large scale success story in community development" (1986, p.151).

Aboriginal institutions can co-exist in a community with non-Aboriginal ones, as is the case in health care, the justice system, and child welfare. Waldram (1989, p.42), for example, found that 60 per cent of urban Aboriginal patients visiting an urban clinic in Saskatoon would like to combine traditional healing with mainstream methods in a clinical setting. Such an intermingling could occur at the neighbourhood level in a comprehensive project such as the North End Housing Project. Its exact configuration would need to be an outcome of reflection, exploration and accommodation among participants.

The discussion process in William Whyte is a small beginning in the process of the community taking control of its institutions and future directions. It remains for the community to identify priorities, locate resources, and to build institutions that are sensitive and reflective of the cultural bases of this community. The task will be all the more demanding given the struggle faced by inner city residents just to accomplish daily survival.

Conclusion

After decades of discussion of the relative importance of culture to Aboriginal people, and in the wake of more than a century of concerted efforts by government to assimilate First Nations, there continues to be an insistence from Aboriginal communities that cultural distinctiveness is fundamental to their social survival. The value systems and world views of Aboriginal peoples have undergone major transformations in the colonization process, but Aboriginal community leaders continue to insist that their culture, though now modified, is still recognizable and indispensable to their identities as peoples.

As William Whyte community seeks to unite in addressing common problems, the intrinsic value orientations of participants will become a fundamental consideration. Culture is not simply a colourful additive to an otherwise material process of economic improvement. Instead, the rebuilding of culturally based community institutions, and the expression of shared traditions, is the philosophical basis on which much of the planning and design of development for Aboriginal people must proceed.

The challenge for this neighbourhood is to arrive at a "negotiated community," similar to that observed in the Los Angeles Indian community. In William Whyte the challenge will be to take these negotiations further to include non-Aboriginal participants in the program. Early experience with the Aboriginal Youth Employment Project has so far been successful in gaining broad community support for a culturally-based employment and education project.

Culturally-based community improvement in William Whyte will be a slow process. It will involve introspection on the part of individuals who must identify their deepest value commitments. It will involve mutual accommodation and adaptation from Aboriginal and non-Aboriginal participants in the process. Consultation will be needed with elders and knowledgeable persons in identifying the true significance of Aboriginal traditions and the appropriate value bases for community projects. Finally, creating culturally based community development will add further difficulty to a process that is already highly demanding and has limited resources.

As a North End Housing Project seeks to build community and to restructure a neighbourhood, it cannot ignore the fact that the largest identifiable group in the community is Aboriginal. Nor can it assume that all accommodation must be made by Aboriginal people to euro-canadian institutions. For real healing to occur in the community, for development of a truly hospitable neighbourhood setting, and for authentic control and participation in the development process, it will be important for Aboriginal participants to contribute in a culturally-based manner. It will be tempting to by-pass cultural exploration and to choose ready made options for the community. To do so, however, would be to miss the point of development.

CHAPTER 5

Housing Reinvestment in William Whyte: Impact Assessment

The original intent of this research was to conduct an impact assessment of North End Housing Project's community economic development intervention. The evaluation was to be conducted in three parts. The first was to be a quantitative study of the effects of the project on employment development and the housing submarket of William Whyte. The second was to be a qualitative study of culturally-based community development work among Aboriginal residents of the neighbourhood. The final part was to assess the social capital building efforts of North End Housing Project among residents of the community in general.

When the time came to conduct the research, however, the original plan for the study had to be reconsidered because the project had experienced some internal difficulties. The North End Housing Project had embarked on a "scaling up" initiative in which the number of homes to be renovated was to grow from 25, to 50, and ultimately to 100 per year (NEHP, 2002). This was an ambitious undertaking for a small, non-profit community group. During the initial part of this expansion the Executive Director was taken ill and had to be away from the project for several months. A senior planning person was also away on parental leave for ten months. During this period the Board of Directors took effective charge of the project and focused primarily on expanding the scale of the renovation program. It was difficult for the Board, as a group of volunteers, to attend to all day-to-day management concerns of the program. There was little time or management attention available for social capital building initiatives. The staff person in charge of community outreach at the time also proved rather ineffective, and eventually was replaced. The result of this challenging period in the organization's development was that little social capital building work occurred.

As a consequence of the break in effective programming in social development, there was little point in attempting to assess the impact of this work. For the purposes of this dissertation, it was decided to shift from an impact evaluation of community building to a needs assessment. This would involve a series of interviews with neighbourhood residents that would then form a basis for planning social capital development work for the future. The research would complement the culturally-based needs assessment that had already been done with Aboriginal residents of the community.

Quantitative outcome assessment, then would focus on the impact of the renovation work on employment and the local housing market. Qualitative research would focus on social capital need among neighbourhood residents, and among Aboriginal residents in particular.

Quantitative Evaluation

The primary objective of the North End Housing Project was to provide affordable, adequate, and suitable housing to low income residents of William Whyte. Its effectiveness in this respect could be measured both quantitatively and qualitatively. One criterion for assessment would be CMHC's concept of core housing need which establishes basic standards of adequacy, suitability, and affordability for housing in Canada (Carter, 1997; CMHC, 2002). Because the concept measures need, it is cast in negative terms. Inadequacy is defined as housing that is lacking a bathroom, or is in need of major repair as defined by Statistics Canada in the census. Unaffordable housing is shelter that consumes more than 30 percent of the resident family's gross income. Unsuitable shelter is that which fails to meet a number of occupancy standards including: at least one bedroom per cohabiting adult couple; one bedroom for each unattached person over 18; and at least one bedroom for each same-sex pair of children under 18. As Canada's most widely accepted standard for appropriate housing, it was important that NEHP's units meet these minimal criteria.

NEHP's housing met these core need criteria for 80 percent of its residents, as shown in Table 5.1. Twenty percent of NEHP families spent more than 30 percent of their gross income on housing costs. Sixteen percent had significant maintenance problems.

A substantial number of NEHP residents were receiving Income Assistance. This often means that housing costs for these families are greater than 30 percent of their gross income. As a recent study on housing need in Manitoba stated

> The vast majority of households counted in the core need estimates (in Manitoba) are already being assisted by welfare. In the existing welfare benefit structure, the basic shelter allowance is always greater than 30 percent of the total welfare benefit. Even the estimated 8,000 households who receive welfare and live in social housing are counted as being in core need (Lampert, 1999:ii).

As discussed in the final section of this dissertation, 16 percent of NEHP families indicated that their homes still had significant maintenance or upgrade problems in spite of recent renovations. Problems working with very old structures, and inadequate grants at the beginning of the program, created a backlog of upgrade work that was being addressed as the study was conducted. Eighty-four percent of NEHP residents expressed satisfaction with their homes.

Table 5.1 Core Housing Need among NEHP Residents

Core Need Measure	Standard	NEHP Families
Affordability	< 30% of Gross Family Income	21.3% of Gross Family Income (on average)
Suitability	Sufficient rooms for each adult and child	All homes met CMHC criteria
Adequacy	Homes not in need of major repairs	84 % of NEHP homes met the criteria

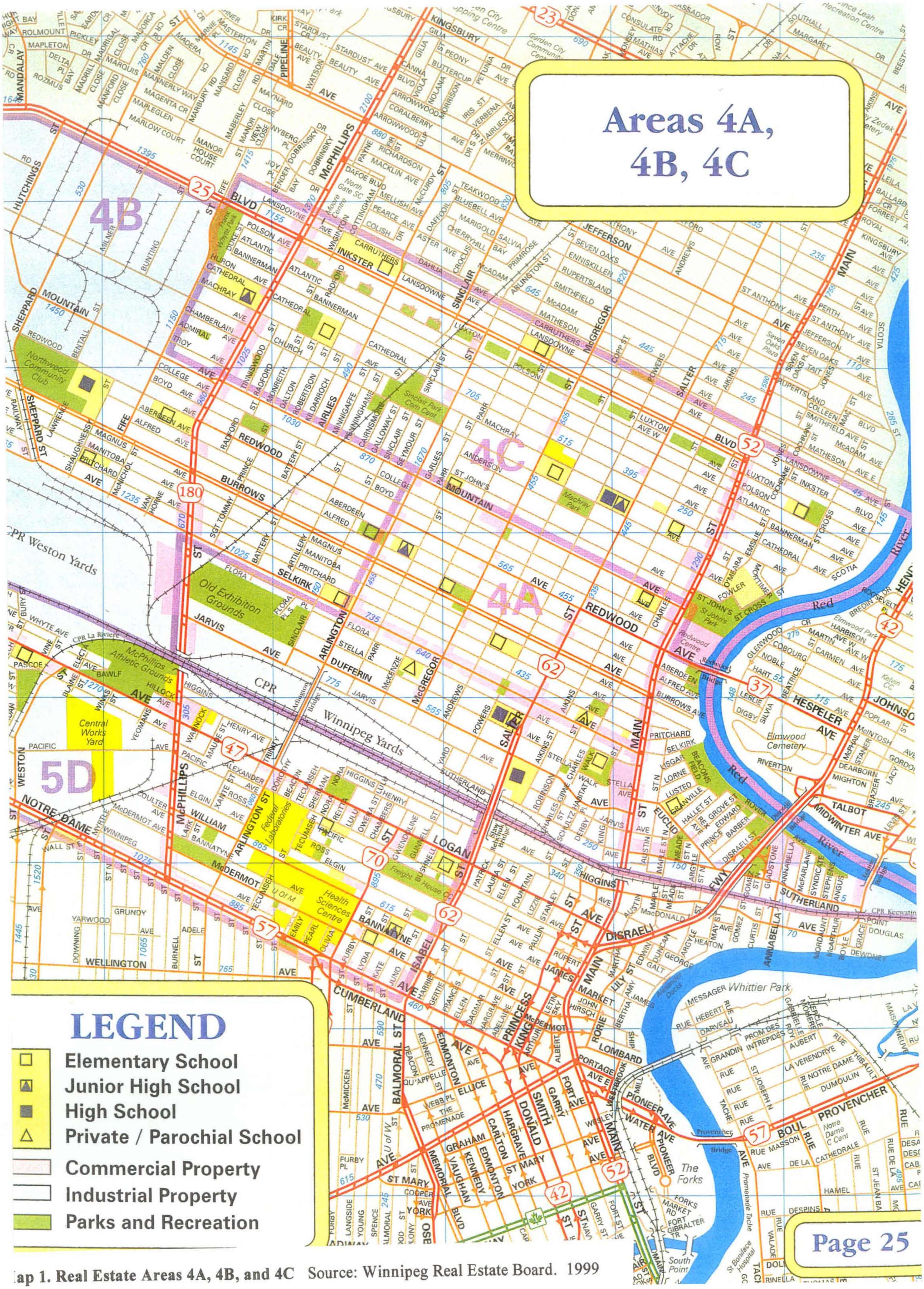
In addition to the straightforward goal of providing affordable, adequate and suitable housing, however, North End Housing Project was also attempting to have an impact on the dynamics of the neighbourhood housing submarket in William Whyte. In Parts One and Two of this dissertation, the hypothesis was developed that a significant determining factor of neighbourhood decline is the perception on the part of property owners that housing values were falling, and that surrounding properties were lapsing into disrepair. Such perceptions of neighbourhood quality were thought to inhibit property owners from investing in their properties. Homeowners and landlords see little hope of recovering investments through resale of their properties if housing values are declining. As maintenance is neglected, the value of housing continues to fall. As values fall, maintenance is further neglected. The cycle of decline thus compounds itself.

The North End Housing Project was attempting to have an impact not only on the quality of neighbourhood housing, but also on perceptions of the neighbourhood as an environment for housing investment. To impact such perceptions, the project needed to renovate a "critical mass" of housing, and to create a perception of positive neighbourhood change. In this way it was hoped that the project would stimulate private market forces to complement the public reinvestment that was being made in the homes.

Data Sources

Measuring the impact, if any, of NEHP's work on housing markets required an examination of trends in housing prices at the neighbourhood level. There are two potential sources for such information, the City of Winnipeg's Neighbourhood Housing Indicator Data (NHID) (Winnipeg, 2000), and the sales statistics maintained by the Winnipeg Real Estate Board. Unfortunately, there are limitations to both sets of data. The NHID is the most appropriate for this study because the information is broken out according to Winnipeg's identified neighbourhoods. The NHID also provides a median house price for the City of Winnipeg. Unfortunately, the NHID data have not been updated since 1999.

WREB information on property sales is an alternative source of data. It is updated monthly. Unfortunately, the WREB does not calculate a median or a mean house price for the City of Winnipeg. It also does not provide information that corresponds to the city's designated neighbourhoods. Instead, the WREB data are provided according to WREB's own geographical divisions of the city, referred to as Real Estate Areas. Generally, a Real Estate Area is larger than a city neighbourhood. Real Estate Area 4A, for example, encompasses three neighbourhoods, William Whyte, North Point Douglas, and Lord Selkirk Park (Map 1). Real Estate Area 5A encompasses the Spence and West Broadway neighbourhoods (Map 2).


Areas 4A, 4B, 4C
4A
4B
4C
5D
LEGEND
☐ Elementary School
▲ Junior High School
■ High School
△ Private / Parochial School
Commercial Property
Industrial Property
Parks and Recreation
Page 25
MAIN
SALTER
McGREGOR
McPHILLIPS
ARLINGTON
INKSTER BLVD
MOUNTAIN AVE
REDWOOD AVE
SELKIRK AVE
NOTRE DAME
PORTAGE AVE
CPR Weston Yards
Winnipeg Yards
Old Exhibition Grounds
McPhillips Athletic Grounds
Central Works Yard
Health Sciences Centre
Red River
The Forks

ap 1. Real Estate Areas 4A, 4B, and 4C Source: Winnipeg Real Estate Board. 1999

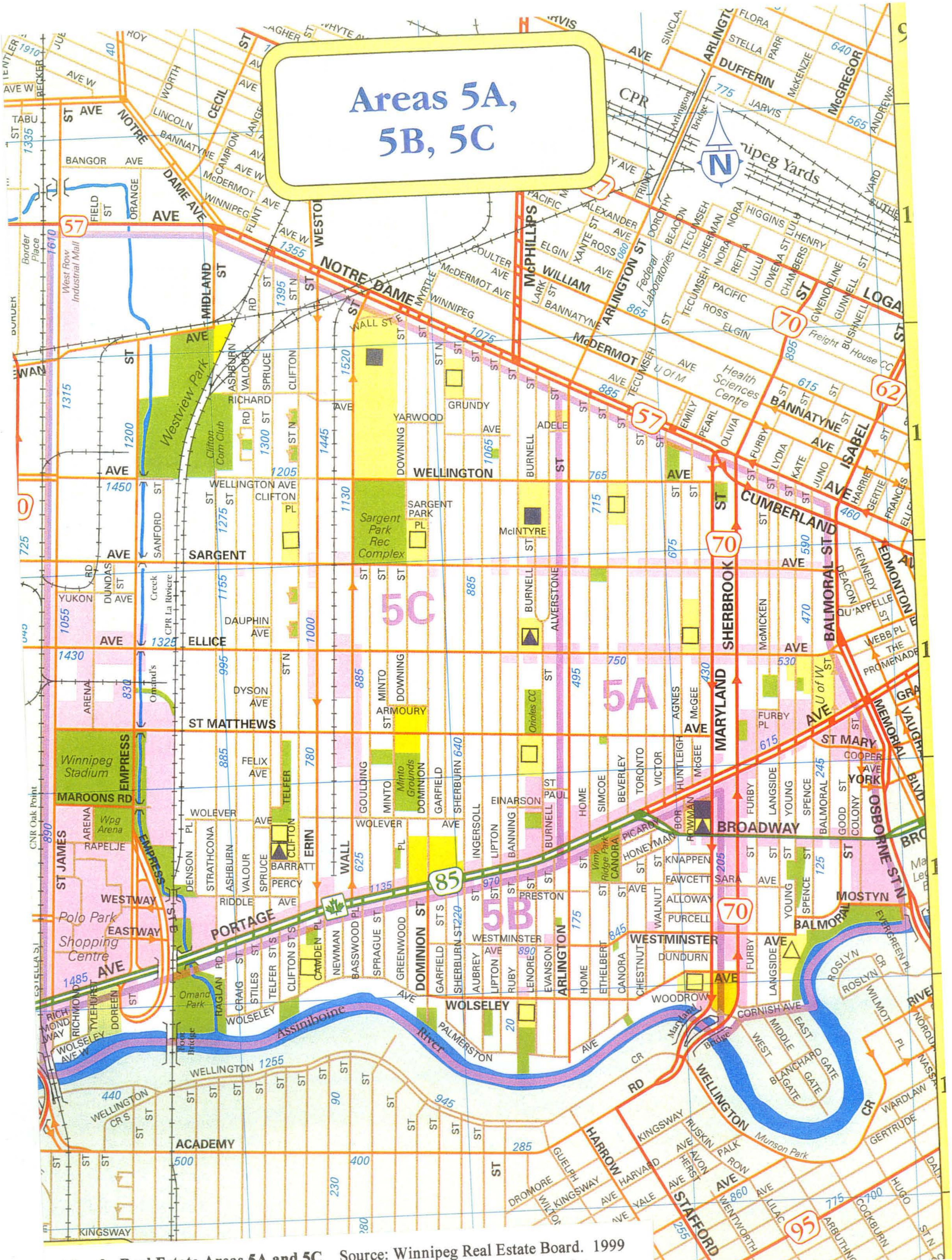
Decline

Data from the NHID and from the WREB are presented in Table 5.2. A glance at either set of data reveals perceptible trends in housing prices.

Table 5.2 Housing Prices in William Whyte and Real Estate Area 4A

Year	William Whyte NHID (1)	City of Winnipeg NHID (median) (2)	City of Winnipeg WREB (mean) (3)	Real Estate Area 4A WREB (Annual Figures) (4)	Real Estate Area 4A WREB (Jan-to-June Figures) (5)
1990	36,500	79,500			
1991	34,400	77,000	86,060	32,644	
1992	33,000	78,000	85,666	31,373	
1993	27,000	79,000	89,928	33,594	
1994	28,000	79,500	89,436	30,019	
1995	26,000	78,000	87,748	28,358	
1996	27,000	81,000	90,122	23,890	
1997	28,000	83,000	90,908	22,952	
1998	23,450	82,700	91,505	21,211	22,028
1999	17,500	86,725	92,461	19,611	17,948
2000			93,878	21,657	21,041
2001			99,892	22,770	22,670
2002			103,655	26,628	30,157
Decline/Increase (%)					
1990-1999	-52.1	9.9			
1991-1999	--	--	7.4	-39.9	n/a
1999-2002	n/a	n/a	12.1	35.7	68.0

The NHID data for William Whyte neighbourhood (column 1) show a pattern of decline from 1990 to 1999. Prices fell by -52.1 percent during the period; from $36,500 in 1990, to $17,500 in 1999. As mentioned, however, these data are available only up until 1999. It is not possible to gauge whether any recovery of prices occurred at the neighbourhood level beyond that year. Median housing prices for the City of Winnipeg (column 2) are also taken from the Neighbourhood Housing Indicator Data. Prices show a pattern of


Areas 5A, 5B, 5C
5A
5B
5C
N
CPR
Winnipeg Yards
NOTRE DAME AVE
PORTAGE AVE
BROADWAY
ELLICE AVE
SARGENT AVE
WELLINGTON AVE
ST MATTHEWS AVE
CUMBERLAND AVE
BANNATYNE AVE
McDERMOT AVE
WESTMINSTER AVE
WOLSELEY AVE
ST MARY AVE
SHERBROOK ST
MARYLAND ST
BALMORAL ST
OSBORNE ST N
MEMORIAL BLVD
ARLINGTON ST
McPHILLIPS ST
EMPRESS ST
ST JAMES ST
Assiniboine River
Westview Park
Clifton Com Club
Sargent Park Rec Complex
Minto Grounds
ARMOURY
Winnipeg Stadium
Wpg Arena
Polo Park Shopping Centre
Omand Park
Vimy Ridge Park
Health Sciences Centre
Federal Laboratories
U of W
U Of M
McINTYRE
Orioles CC
WELLINGTON CR
ACADEMY RD
57
62
70
85
95

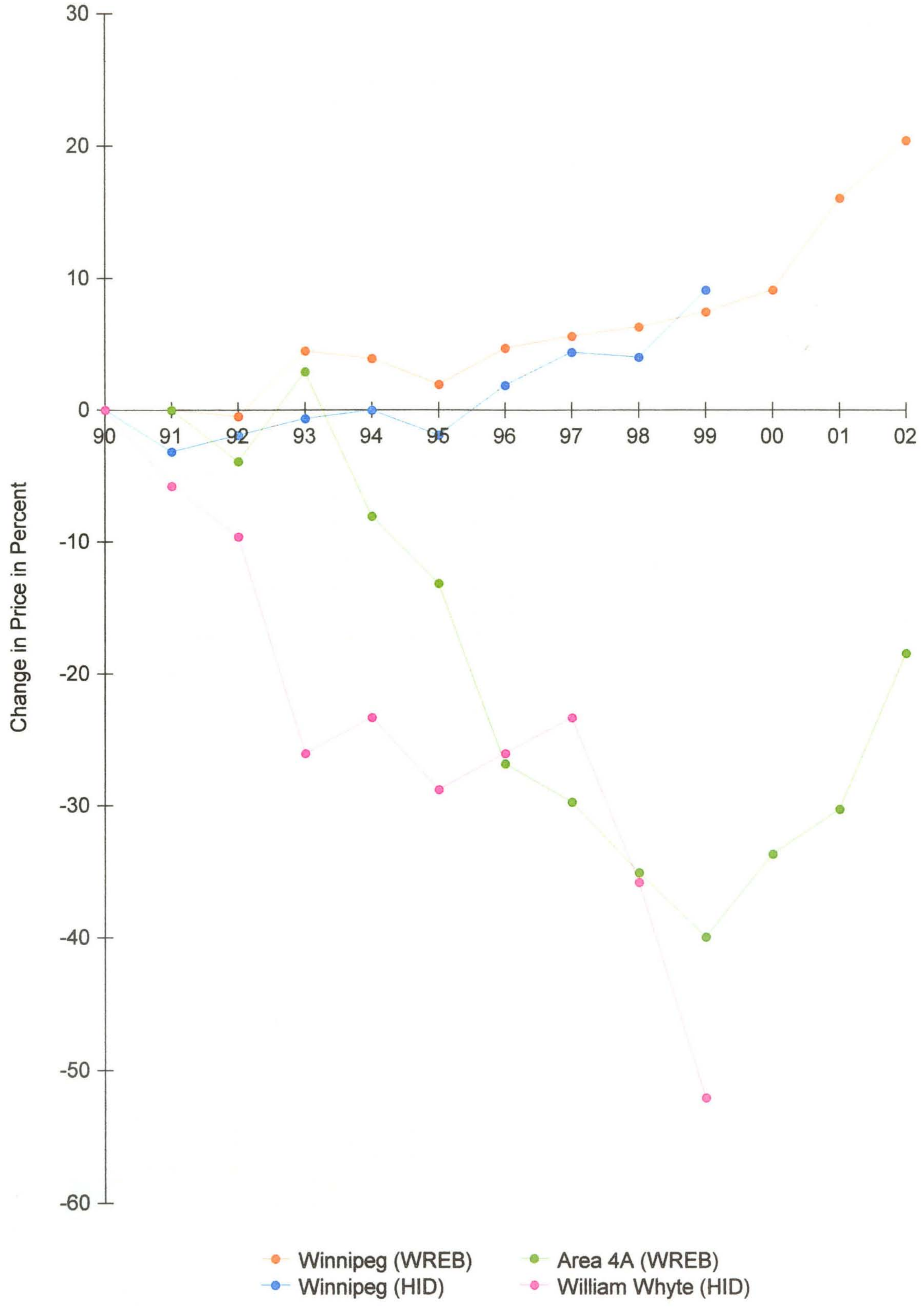
Map 2. Real Estate Areas 5A and 5C Source: Winnipeg Real Estate Board. 1999 modest increase over this period. They rise from $79,500 in 1990 to $86,725 in 1999, an average annual increase of 1.1 percent. Again these data are available only up until 1999. As mentioned, the WREB does not publish a mean or median house price for the city. Average prices for Winnipeg can be calculated by combining data from individual real estate areas, and by deleting rural areas from the sample. These calculated mean prices for Winnipeg are shown in column 3. They show a moderate increase in prices similar to the median values in the NHID data. From 1991 to 2000 mean prices rose by 0.9 percent, slightly less than the rise for median prices at 1.1 percent. After 2000 these prices increased sharply, by 6.4 percent in 2001, and by 3.8 percent in 2002.

Average annual data for Real Estate Area 4A are shown in column 4. The pattern of decline in prices seen in the NHID data for the William Whyte neighbourhood is also evident in these data for the larger Real Estate Area. Housing values in Area 4A declined by -39.9 percent from 1991 to 1999. This is slightly less steep than the decline of NHID values for William Whyte. The difference is probably because the geographical boundaries of Area 4A encompass a greater diversity of housing. The average selling price of a house in Real Estate Area 4A declined from $32,644 in 1991, to $19,611 by 1999 - (-39.9 percent). After 1999 a pattern of recovery is evident in Area 4A. By 2002 annual mean prices had recovered to $26,628, an increase of 35.7 percent over the 1999 level. These trends are shown in Graph 1.

The WREB published its January-to-June figures for Real Estate Area 4A in July, 2002. At that time the WREB interpreted the recovery of prices in the area as probably due to housing renovation through groups such as NEHP (Winnipeg Free Press, July 25, 2002). The WREB drew a similar conclusion about similar data in the West Broadway area (Squire, 2001). These January-to-June figures are shown in column 5.

Graph 1 - Wpg, Area 4A, William Whyte

Housing Prices (HID & WREB data)



There appears to be little doubt that recovery of the real estate market is underway in Real Estate Area 4A. The trend has been dramatic and has persisted for three years. As mentioned, however, these data cover a broad and somewhat diverse geographical area which encompasses three neighbourhoods. They provide little insight into what may be occurring within a specific neighbourhood such as William Whyte, and they provide little information on what may be occurring in micro-neighbourhoods such as that surrounding Alfred Avenue. Consequently, it is difficult to assess possible causes of price recovery from these data.

This study attempted to narrow the geographical focus of analysis from the broad locality of Real Estate Area 4A to the specific neighbourhood of William Whyte, and in particular to the micro-neighbourhood around Alfred Avenue. It attempted to isolate and trace the possible neighbourhood effects of the renovation work of NEHP to determine whether price recovery could be attributed to the work of the Project.

The hypothesis was put forward by WREB that public funds invested in housing in the locality caused the increases in housing prices in Real Estate Area 4A. Others, however, have questioned whether housing reinvestment is the only explanation. Members of the media, for example, in personal conversation with the author of this dissertation, suggested that the rise in in average prices in the neighborhood may reflect the fact that NEHP is buying substantial quantities of property and paying higher than market prices for it. In other words the effect is key directly to NEHP's own activity and is not to any external effects. Another suggestion was that price rises in William Whyte may be simply a reflection of the more general increase in prices that has occurred across the city. Both of these hypotheses have been examined.

It is important to state at this point that while NEHP had purchased and renovated 48 properties, as of September, 2003, none of its properties had been resold. NEHP was a rent-to-own program. Once renovated, its houses were rented to prospective purchasers. Only after five years of rental could a tenant exercise their option to purchase a home (details of such options are provided in the Chapter 7). Since the program had begun in 1999, no participant of the program had become eligible to exercise their option to purchase. Eligibility for the option did not come into effect until mid-2004. The period for the present study is 1994 to 2002. Until then all NEHP residents were tenants not owners. Therefore, none of the housing sales discussed in this section reflects a sale by NEHP of a renovated home. No such sales had yet taken place.

The question of whether NEHP may have caused prices to rise in William Whyte then, applies only to prices at which it purchased properties. To affect mean housing prices, NEHP would have had to have purchased large quantities of housing and paid relatively high prices for the stock. Table 5.3 shows NEHP purchases for each year of the study compared to sales on four streets in the William Whyte locality, and to all sales in Area 4A. (The four-street sample was chosen specifically for this study and will be discussed in greater detail below). NEHP purchases are deleted from the four street sample so that comparisons are only between project purchases and non-project purchases. Properties that were donated to NEHP in exchange for tax receipts were also deleted from NEHP's average purchases so that comparisons are only in terms of market purchases.

It is clear from this table that average NEHP purchase prices were below those for the neighbourhood for each year of the project, whether compared to sales within William Whyte, or to those in Area 4A generally. Price rises detected in Area 4A, therefore, could not have been caused by inflated prices paid by NEHP for its properties.

Table 5.3 NEHP Purchase Prices Compared to 4 Streets and Real Estate Area 4A

	1999 Price	Number of sales	**2000** Price	Number of sales	**2001** Price	Number of sales	**2002** Price	Number of sales
NEHP	15,300	5	14,286	7	12,850	12	22,345	11
4 Streets	17,253	37	14,343	23	18,327	22	23,988	36
Area 4A	19,611	118	21,657	114	22,770	102	26,628	138

The second suggestion is that price rises in Real Estate Area 4A may simply be a reflection of more general improvements in the Winnipeg housing market. This proved to be a more complex question to investigate. It is certainly true that house prices rose significantly across Winnipeg from 2000 to 2002. After nine years in which the general rise in prices in Winnipeg had been 0.9 percent, they suddenly spiked upward by 6.4 percent in 2001 and by 3.8 percent in 2002. Similar spikes were seen in many other real estate areas across the city. However, it is not clear that generally improved market activity in Winnipeg was producing the pronounced increase in prices in Real Estate Area 4A.

Firstly, prices in Area 4A began to rise one year earlier than the upward spike in Winnipeg prices (1999 vs. 2000). Secondly, the year that prices began to rise in 4A coincides with the year in which significant housing renewal work began in that area (1999). Thirdly, prices rose much more dramatically in 4A (10.4 percent in 2000, 5.1 percent in 2001, and by 16.9 percent in 2002) than they did in the rest of Winnipeg (1.5 percent, 6.4 percent, 3.8 percent respectively). Finally, additional attempts to compare price rises in 4A to those in more neutral but comparable areas were hampered by the fact that housing renewal work was also taking place in those other areas. Comparable areas in which no renewal work was occurring, although low-priced, did not have values nearly as low as those in 4A. It was therefore difficult to isolate the impact of housing renewal work from effects of improved market activity to try to identify their differential effects. This analysis is discussed in more detail below.

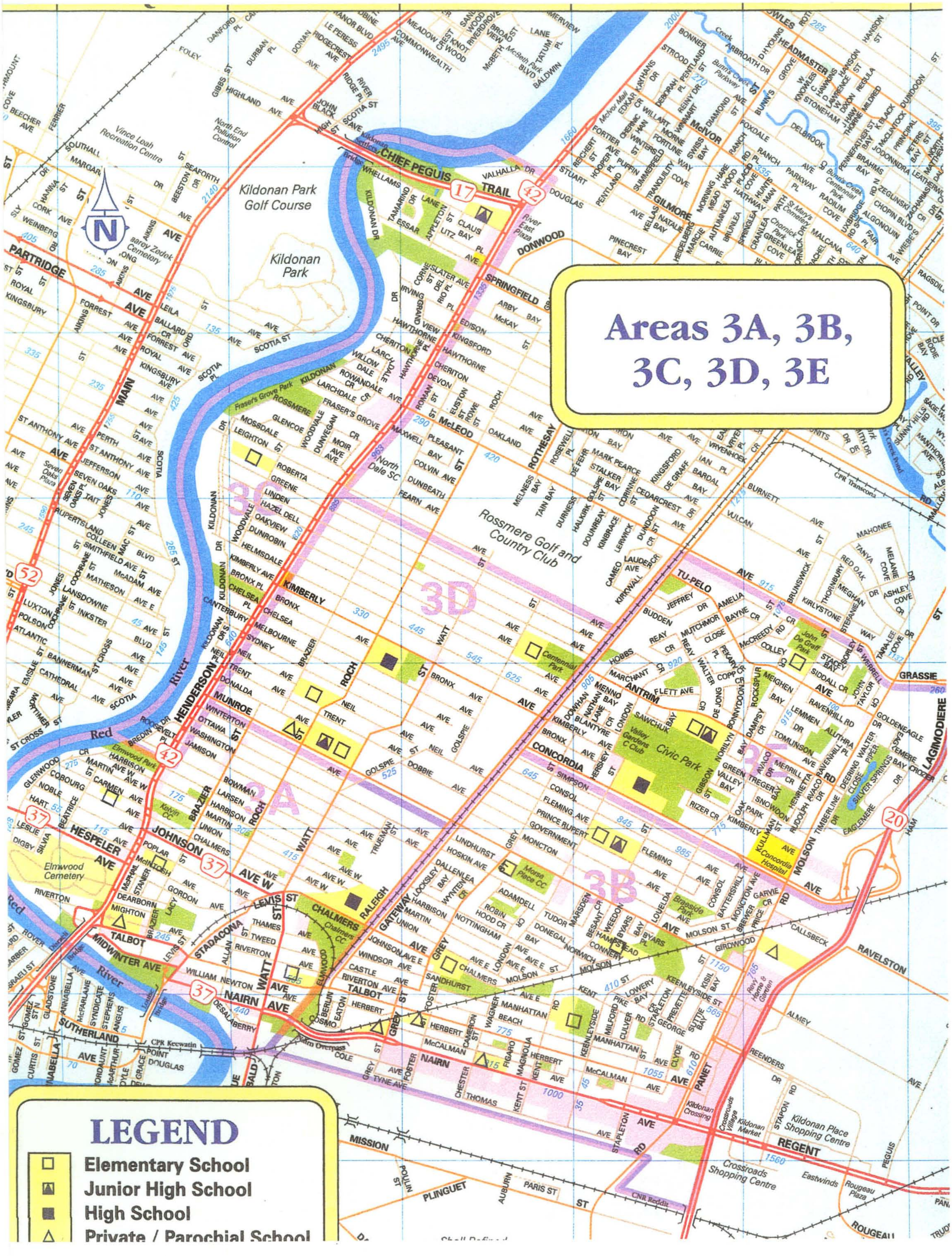
Comparison

To try to identify possible causes of price increases in Area 4A, an attempt was made to compare this locality to similar real estate areas in which no renovation work had occurred. Finding a suitable comparison, however, proved difficult. Area 4A has the lowest housing prices in the city. The second lowest prices are those in Area 5A, which roughly corresponds to the Spence and West Broadway neighbourhoods (Map 2). While prices in 5A are the second lowest in the city, they are still, on average, 23.2 percent higher than those in 4A across the period of this study. Area 5A has a history of decline similar to that of 4A. The housing price histories of these two areas are shown in Graph 2 and in Table 5.4, along with those of the next three lowest cost housing areas.

Unfortunately, Area 5A does not provide a neutral comparison for Area 4A. Significant housing renovation work began in Area 5A in the same year as it did in 4A. Lazarus Housing, Housing Opportunity Project, Lion's Housing, Spence Neighbourhood Association, and the West Broadway Development Corporation all undertook housing renewal work in this locality at this time. The area, provides no real contrast to Area 4A. The patterns of decline and price recovery are very similar in both areas (Graph 2). It is impossible to know whether this similarity is attributable to renovation activity, to changes in the wider housing market in Winnipeg, or to both.

The next closest comparisons to Area 4A are Areas 5D, 4B, and 3A . These are the next three lowest priced housing areas in Winnipeg (although their prices are 32.1 percent, 57.4 percent, and 83.2 percent higher respectively, than those in 4A). Price trends in these areas are also shown in Graph 2 and in Table 5.4. Area 3A (roughly equivalent to Elmwood West) is fairly isolated from Areas 4A and 5A, since it is separated geographically by the Red River (Map 3). It is likely, therefore, that prices in this area were sheltered from any spillover effects from housing renewal work in the study areas. This makes 3A a good comparison geographically. Unfortunately, Area 3A is also the highest priced locality of the five areas, and for this reason is the least appropriate comparison to 4A. Trends in housing prices in 3A more closely resemble those for the city of Winnipeg than those of the declining areas, as is especially evident from Graph 2. Although prices do decline slightly from 1991 to 2000, their recovery rates are similar to those of the city (4.2 percent in 2001, and 5.4 percent in 2002 for 3A; compared to 6.4 percent in 2001, and 3.8 percent in 2002 for Winnipeg). It is difficult to argue strongly that this shows that renewal work caused sharp price increases in Areas 4A and 5A, however, because of the dissimilarity of housing quality and price. The price difference between Areas 3A and 4A, and the fact that 3A lacks a history of decline, makes its comparability uncertain.

Area 4B is adjacent to 4A, and Area 5D lies between 4A and 5A (Maps 1 & 2). It is quite possible that spillover effects of renewal work in 4A and 5A may have influenced prices in these areas. Graph 2 and Table 5.4 show price changes for 4B and 5D. Price increases are not as dramatic in these areas as those in the study areas. Price trends in 5D are similar to those in 5A but less pronounced. Price recovery in 4B is similar to 3A.


Areas 3A, 3B, 3C, 3D, 3E
3A
3B
3C
3D
3E
N
Kildonan Park Golf Course
Kildonan Park
Rossmere Golf and Country Club
Civic Park
Elmwood Cemetery
Red River
LEGEND
☐ Elementary School
◩ Junior High School
■ High School
△ Private / Parochial School

. **Real Estate Area 3A** Source: Winnipeg Real Estate Board. 1999

Table 5.4 Lowest Priced Real Estate Areas - Price changes and Cumulative Price Changes in Percent compared to the City of Winnipeg

	City of Winnipeg	% change since 1991	Real Estate Area 4A	% change since 1991	Real Estate Area 5A	% change since 1991	Real Estate Area 5D	% change since 1991	Real Estate Area 4B	% change since 1991	Real Estate Area 3A	% change since 1991
1991	86,060	0.0	32,644	0.0	38,706	0.0	41,539	0.0	43,515	0.0	51,467	0.0
1992	85,666	-0.5	31,373	-3.9	36,584	-5.5	38,284	-7.8	44,263	1.7	51,249	-0.4
1993	89,928	4.5	33,594	2.9	--	-	37,207	-10.4	42,443	-2.5	48,183	-6.4
1994	89,436	3.9	30,019	-8.0	37,833	-2.3	37,536	-9.6	46,992	8.0	49,449	-3.9
1995	87,748	2.0	28,358	-13.1	34,027	-12.1	35,843	-13.7	43,819	0.7	48,328	-6.1
1996	90,122	4.7	23,890	-26.8	27,987	-27.7	32,505	-21.7	38,767	-10.9	49,447	-3.9
1997	90,908	5.6	22,952	-29.7	27,372	-29.3	33,067	-20.4	37,089	-14.8	47,288	-8.1
1998	91,505	6.3	21,211	-35.0	29,027	-25.0	29,179	-29.8	39,986	-8.1	43,571	-15.3
1999	92,461	7.4	19,611	-39.9	23,752	-38.6	30,908	-25.6	36,771	-15.5	47,568	-7.6
2000	93,878	9.1	21,657	-33.7	28,522	-26.3	30,361	-26.9	39,535	-9.1	44,536	-13.5
2001	99,892	16.1	22,770	-30.2	34,276	-11.4	34,037	-18.1	39,422	-9.4	46,405	-9.8
2002	103,655	20.4	26,628	-18.4	32,971	-14.8	35,387	-14.8	42,674	-1.9	48,896	-5.0

Graph 2 - Five Lowest Priced Areas

Housing Price Changes in Percent

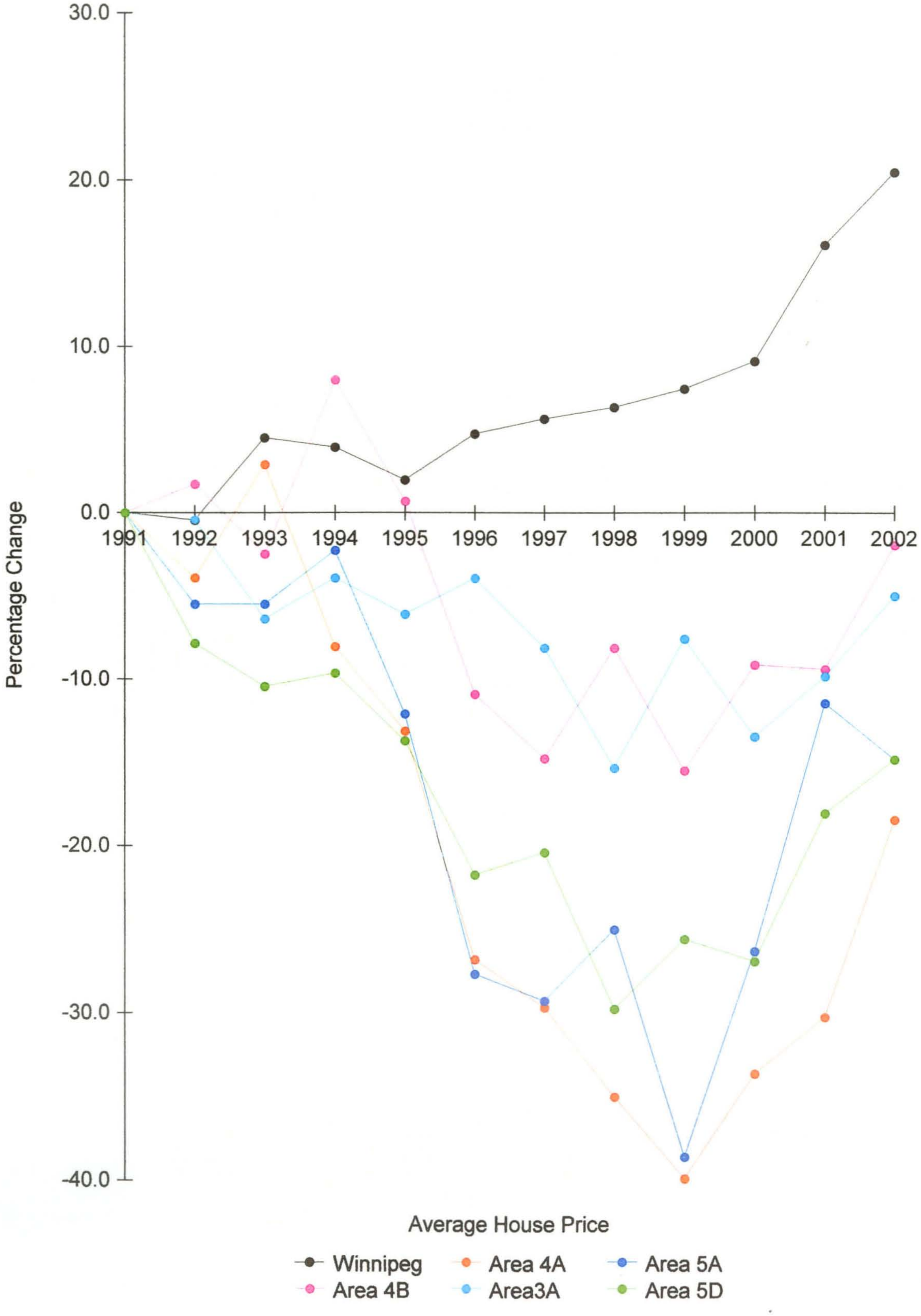


Table 5.5 Price Year-to-Year Changes in the Lowest Priced Housing Areas during Recovery Period

	Area 4A		**Area 5A**		**Area 5D**		**Area 4B**		**Area 3A**	
	Price	change %	Price	change %	Price	change %	Price	change %	Price	change %
1999	21,657	10.4	28,522	20.1	30,361	-1.8	39,535	7.5	44,536	-6.4
2000	22,770	5.1	34,276	20.2	34,037	12.1	39,422	-0.3	46,405	4.2
2001	26,628	16.9	32,971	-3.8	35,387	4.0	42,674	8.2	48,896	5.4

The evidence is not conclusive, but suggests that there may be a factor in 4A and 5A that is causing prices to rise more dramatically than those for the City of Winnipeg. This factor may be affecting 5D since it lies between 4A and 5A.

Non Parametric Test

In order to examine this impressionistic evidence more precisely, a nonparametric, rank sum statistical test was conducted on all five real estate areas shown in Table 5.4. The test was applied to price changes from 1991 to 2002. A nonparametric test was chosen for these data because small sample sizes for these price changes over time exclude the assumption that values have a normal distribution. In such a situation an appropriate test is the Mann-Whitney rank sum test. Results for this test are shown and Table 5.6. The Mann-Whitney test compares values in pairs, therefore each real estate area and the City of Winnipeg are compared to area 4A.

Table 5.6 Results of Wilcoxon Rank Sum (Mann-Whitney) test.

Real Estate Area	Rank Sum	Expected	z	Prob > | z |	Significant	Not statistically Different
4A	161	126.5	2.268	0.0233		
3A	92	126.5			Different	
4A	163	126.5	2.397	0.0165		
4B	90	126.5			Different	
4A	120	110*	0.704	0.4813		
5A	111	121				Not Different
4A	139	126.5	0.821	0.4118		
5D	114	126.5				Not Different
4A	185	126.5	3.841	0.0001		
Winnipeg	68	126.5			Different	

*The expected ranks sums for area 5A are unequal because there is a missing datum for Area 5A

The rank sum test shows that area 4A and Winnipeg are statistically different. This suggests that some external variable may be affecting housing prices in 4A, which is not affecting prices across the city. The test shows that areas 4A and 5A are not statistically different. This suggests that if some factor is operating in 4A to make it different from Winnipeg, a similar factor may also be affecting 5A. A similar result was found for 4A and 5D. This is consistent with the impressionistic evidence of the graphs. If prices in 4A and 5A were affected by housing renewal, and if the effect carried over to 5D between them, then this is the result that one would expect. There may, of course be some other factor that is producing the effect. 4A is also statistically different from area 3A.

A possible explanation for these patterns may be that both market changes in the rest of the city, and housing renewal, are having an effect in 4A, 5A, and 5D. The initial price recovery may have begun in response to renovation work. This would have been indicated by the year in which price recovery began in the areas. After nine years of decline there is quite a dramatic price recovery in 1999. This is the year when renewal work began, and it is one year prior to the upward spike of the Winnipeg market. Although initially this recovery may have been stimulated by renewal work, it might have been augmented by rapidly rising house prices across the city. Since renovation continued beyond 2001, both 4A and 5A would have been affected by both factors.

Table 5.7 shows the ten real estate areas with the highest price increases in Winnipeg from 1999 to 2002. Table 5.8 shows this data for 2000 to 2002. Interestingly Areas 4A (William Whyte/Lord Selkirk Park/North Point Douglas) and 5A (Spence/West Broadway) are the only heavily deteriorated areas that experienced high price increases in the first period. Area 4A is the only deteriorated area that had high growth in the second period. The other areas in these lists are, by and large, newer suburbs in which significant new construction was likely to have occurred.

Table 5.7 Ten Areas with the High Price Increases in Winnipeg - 1999 to 2002

Rank	Real Estate Area	Approximate Neighbourhood Equivalent	1999 Prices	2002 Prices	Price Change in Percent
1	1 N	Wilkes South	106,500	277,050	160.1
2	5 W	Headingly (North)	65,433	104,500	59.7
3	1 W	Headingly (South)	161,417	238,500	48.8
4	**5 A**	**Spence/W. Broadway**	**23,752**	**32,971**	**38.8**
5	**4 A**	**William Whyte/N. Point Douglas**	**19,611**	**26,628**	**35.8**
6	1 K	Fort Richmond	113,464	147,448	30.0
7	1 B	Crescentwood/Rockwood	71,371	90,004	26.1
8	3 M	Kern Park (Transcona)	74,374	90443	21.6
9	1 D	South/Central River Heights	105,468	128,057	21.4
10	1 L	Waverly Heights	104,376	126,629	21.3

Table 5.8 Ten Areas with the High Price Increases in Winnipeg - 2000 to 2002

Rank	Real Estate Area	Approximate Neighbourhood Equivalent	2000 Prices	2002 Prices	Price Change in Percent
1	1 W	Headingly (South)	156,680	238,500	52.2
2	3 N	South Transcona	66,000	99,512	50.8
3	1 K	Fort Richmond	117,625	147,448	25.4
4	2 A	Old St Boniface	63,396	78,789	23.0
5	**4 A**	**William Whyte/N. Point Douglas**	**21,657**	**26,628**	**23.0**
6	3 H	Oakwood Estates	111,602	133,207	19.4
7	1 L	Waverly Heights	106,303	126,629	19.1
8	4 H	Maple Glen	101,538	118,979	17.2
9	3 F	Springfield	83,999	98,171	16.9
10	4 J	Tyndall Park	77,123	89,954	16.6

Neighbourhood Focus

Comparisons among the lowest price real estate areas in the city suggest that there may have been some impact of housing renewal efforts on neighbourhood house prices. Real Estate Area 3A was isolated from spillover effects of renewal, but was sufficiently different in price as to be of doubtful use as a comparison for Area 4A.

To investigate this question further, this study sought to focus more specifically on the William Whyte area, and to try to trace housing price trends at the micro-neighbourhood level. In this way it attempted to look more closely at potential external impacts of NEHP's housing renovation work. The hypothesis to be investigated was that renovation work in William Whyte had positive external effects on the values of surrounding properties. A further hypothesis was that improved property values could stimulate greater investment by homeowners in maintenance. These investments could then contribute to improved property values and these in turn could stimulate further investment. Such microlevel studies are consistent with other analyses of positive externalities of housing renewal (Lee, Culhane, and Wachter, 1999; Santiago, Galster, and Tatian, 2001; Schill, Ellen, Schwartz, and Voicu 2002.). This hypothesis was explored below.

Procedure

To investigate whether improved housing prices in the William Whyte neighbourhood after 1999 could be attributed to the housing reinvestment work of NEHP, it was necessary to analyze housing prices on a street-by-street basis. The study compared housing prices on Alfred Avenue, where NEHP's development work began in 1999, with those on three similar streets roughly adjacent to Alfred where no development work had occurred. The hypothesis for the study was that price recovery would appear first on Alfred Avenue at the time of NEHP's renovation work, and would spread to other streets as expectations of further housing re-investment took hold. Megbolubge (1998) and Schill, et al. (2003) show that positive externalities have their most significant effects at the micro neighbourhood level. In the latter study these impacts were measured within a radius of 500 feet (10 to 20 lots) of properties in which public investments were made. Other studies (Santiago, et al. 2001) used a radius of 1,000 to 2000 feet.

This section provides a quantitative analysis of housing price changes. It will be supplemented by a qualitative study of homeowner perceptions of housing values in the neighbourhood, of attitudes to maintenance investment, and of actual maintenance decisions.

Data Sources

This study required analysis of property sales on a street-by-street basis. No definitive list of such sales is readily available. The Manitoba Government Land Titles Office records all land title transfers, but it is not possible for the public to search multiple transactions on a street-by-street basis at this office. Individual searches can be done for specific addresses, but these would have been of little use for this study.

An alternative set of property sale listings was the Winnipeg Real Estate Board's Multiple Listing Service (MLS). The MLS database is available to WREB members, and it was made available to the researcher by kind permission of the Board. The MLS data provide a relatively comprehensive picture of housing market activity. They show not only property sales, but also those properties that are currently on the market (active), withdrawn from the list, or expired without sale. These active, withdrawn, and expired data were helpful in analysing the real estate market in years when there were very few sales on particular streets. In those years the number of properties active, the number of days on the market, vendors' asking prices, and differences between asking and selling prices served as alternative indicators of market vitality. This analysis is presented in Chapter 6.

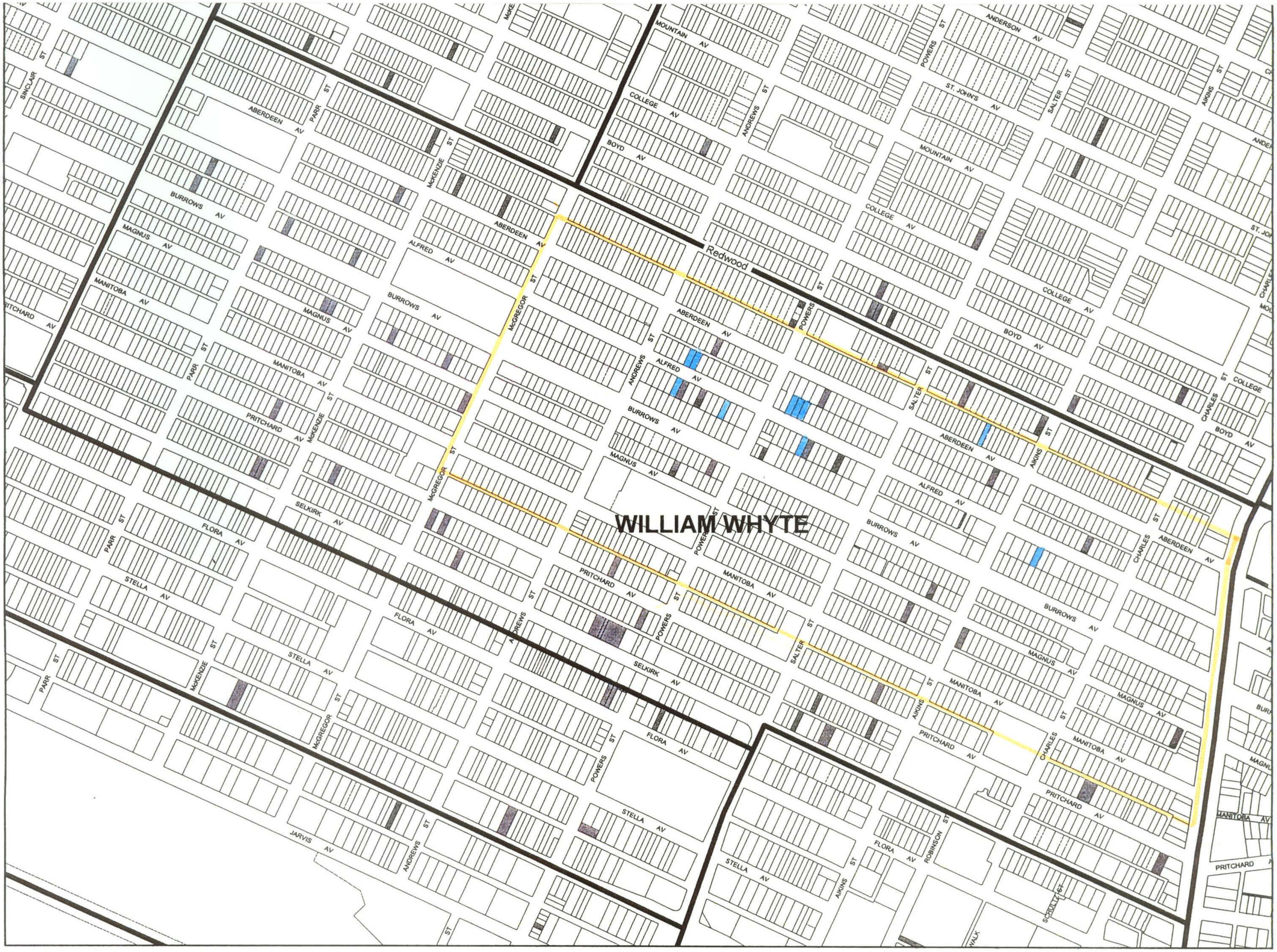
While information in the MLS database is quite comprehensive, it is not complete. A significant number of properties are never listed with WREB's Multiple Listing Service. These may be sold privately without a listing, or sold directly by the city of Winnipeg. Many of the properties acquired by NEHP between 1999 and 2001, for example, were never listed on the MLS. The MLS database is a significantly extensive sample, but it is not exhaustive. There appears to be no obvious bias in the data in terms of price, quality, or location. Prices for William Whyte examined in this study, for example, ranged from

$500 to $85,900. The samples are quite large, and they reflect a good range of housing characteristics. In a six-block area on four streets over nine years, for example, there were 263 sales, or an average of 7.3 sales per street, per year. There were 1,325 entries in total when active and expired listings were included. While the MLS database is not exhaustive, it does appear to provide a reasonable proxy for the William Whyte housing market

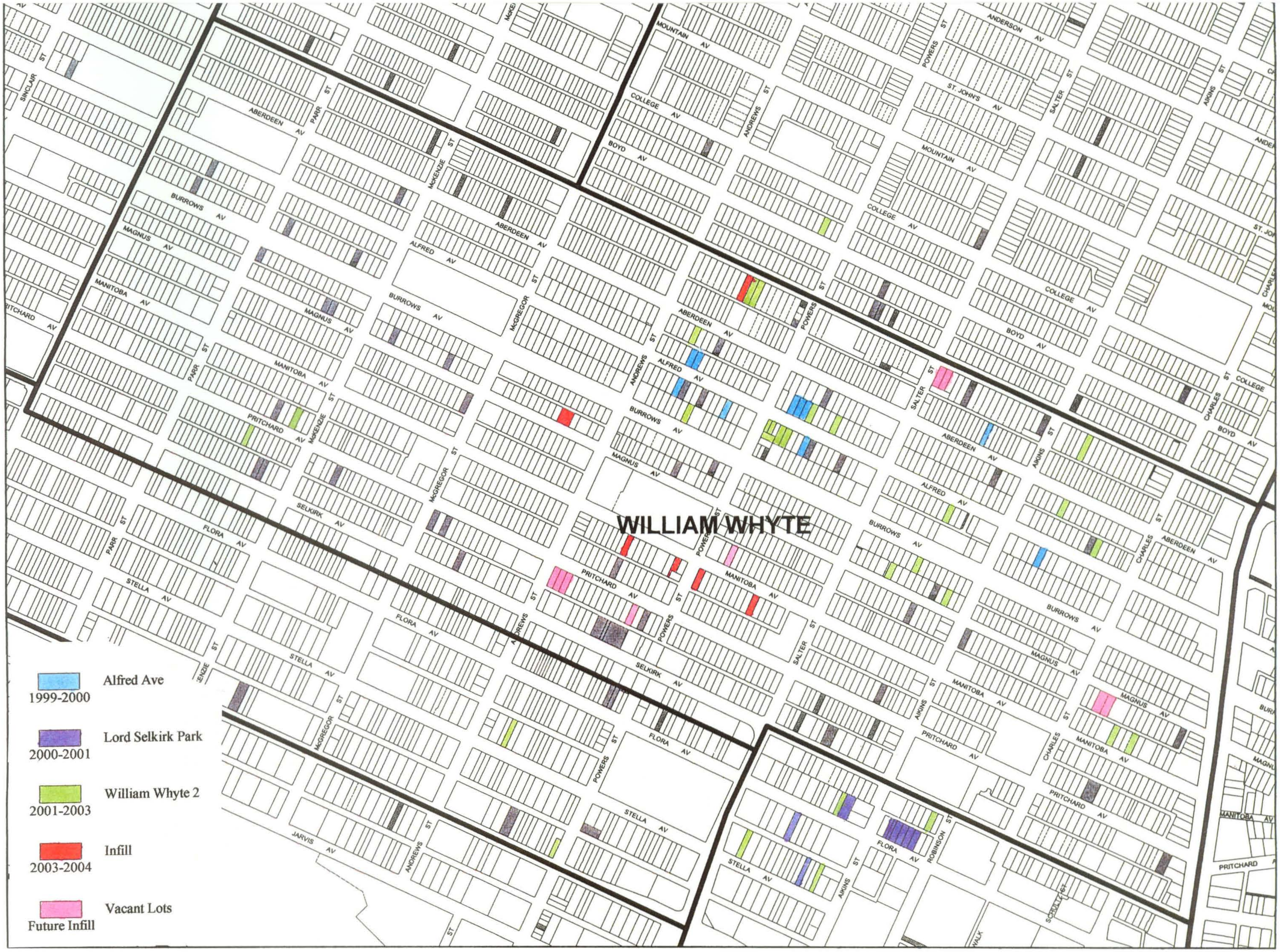
Another potential source of data on neighbourhood sales was the *DIGEST Business and Law Journal* (Real Estate Supplement Publisher. 1994-2000). This was a private publication that attempted to list all property transactions registered at the Land Titles Office for a given month or year (a disclaimer is made in the publication, however, that completeness is not guaranteed). Unfortunately, the *DIGEST* ceased publication in 2000 and therefore did not provide a continuous set of data for the whole period of the study. A further problem was that the *DIGEST* combined both residential and commercial property sales in the same database, and provided no means of distinguishing between the two. This factor also made it unsuitable for the present study. The only appropriate proxy for the housing submarket, therefore, appeared to be the MLS data.

Hypothesis

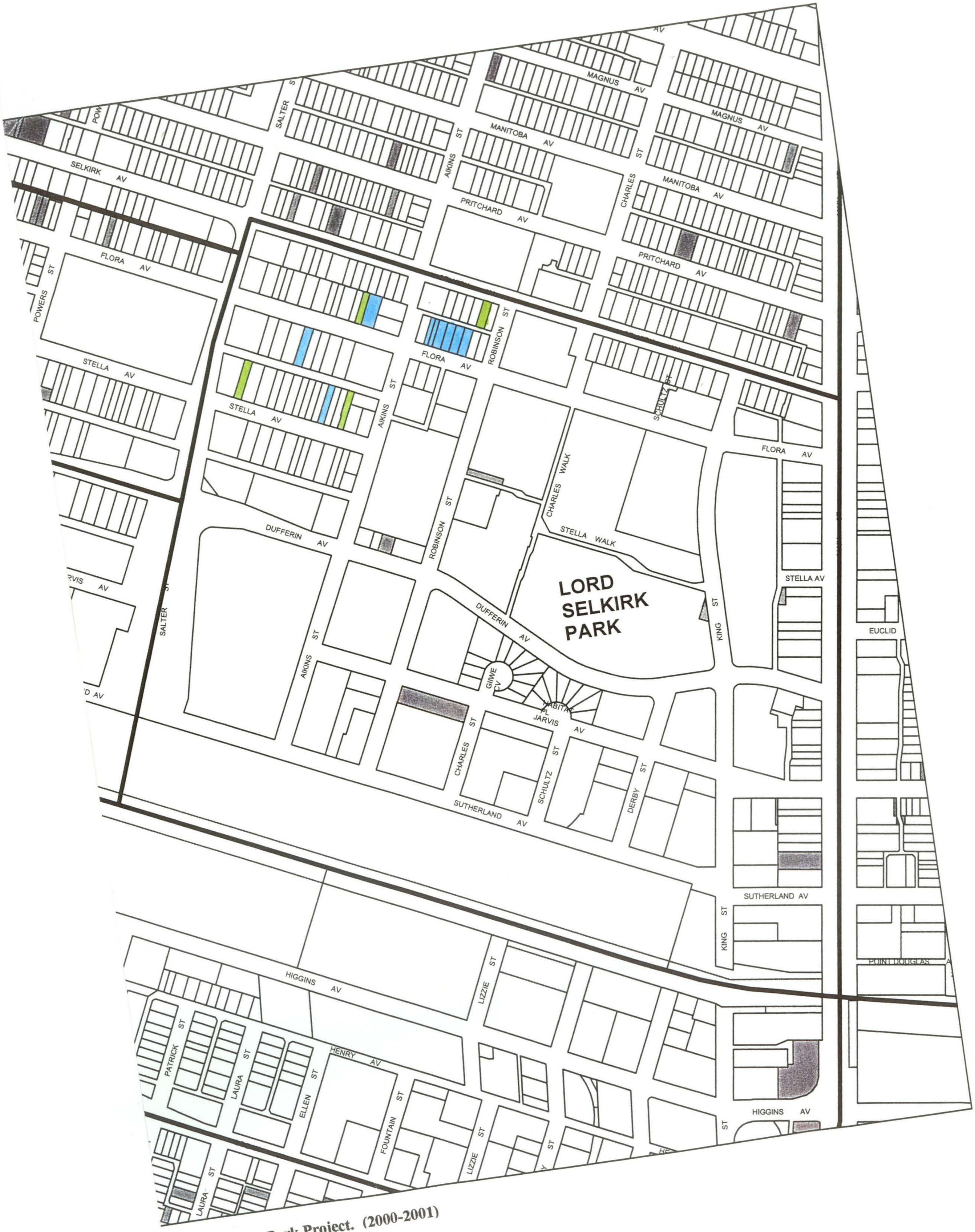
The study assessed the impact of NEHP's first cluster development on Alfred Avenue. The project was undertaken between 1999 and 2000. NEHP renovated eight properties in a two-block section of Alfred Avenue. A ninth property was a block further down Alfred, and a tenth was one street over on Aberdeen. The cluster is shown in Map 4. The housing cluster strategy was chosen specifically to create an impression of improvements to a "critical mass" of housing, and to create positive externalities in the locality. Other clusters were developed shortly after the Alfred Avenue project. One was in Lord Selkirk


WILLIAM WHYTE
Redwood
MOUNTAIN AV
COLLEGE AV
BOYD AV
ABERDEEN AV
ALFRED AV
BURROWS AV
MAGNUS AV
MANITOBA AV
PRITCHARD AV
SELKIRK AV
FLORA AV
STELLA AV
JARVIS AV
ANDERSON AV
ST. JOHN'S AV
SINCLAIR ST
PARR ST
McKENZIE ST
McGREGOR ST
ANDREWS ST
POWERS ST
SALTER ST
AIKINS ST
CHARLES ST
ROBINSON ST
SCHULTZ ST

Map 4. Alfred Avenue Project (1999-2000)


WILLIAM WHYTE
Alfred Ave 1999-2000
Lord Selkirk Park 2000-2001
William Whyte 2 2001-2003
Infill 2003-2004
Vacant Lots Future Infill
MOUNTAIN AV
COLLEGE AV
BOYD AV
ANDERSON AV
ST. JOHN'S AV
ABERDEEN AV
ALFRED AV
BURROWS AV
MAGNUS AV
MANITOBA AV
PRITCHARD AV
SELKIRK AV
FLORA AV
STELLA AV
JARVIS AV
SINCLAIR ST
PARR ST
McKENZIE ST
McGREGOR ST
ANDREWS ST
POWERS ST
SALTER ST
AIKINS ST
CHARLES ST
ROBINSON ST
SCHULTZ ST

Map 5. Lord Selkirk Park Project. William Whyte 2 Project. Infill Project.


MAGNUS AV
MAGNUS AV
MANITOBA AV
MANITOBA AV
SELKIRK AV
PRITCHARD AV
PRITCHARD AV
FLORA AV
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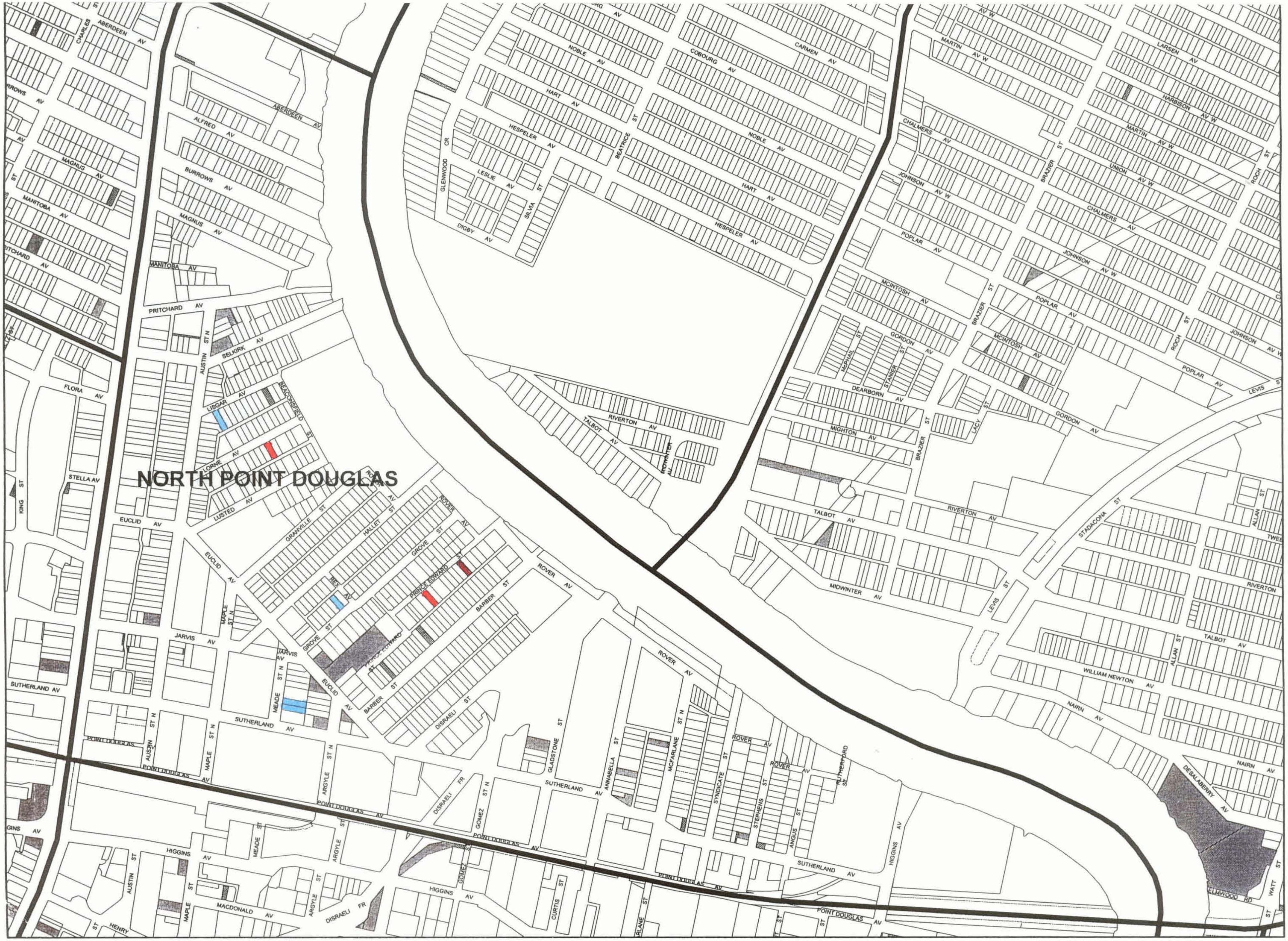
STELLA AV
STELLA AV
STELLA AV
DUFFERIN AV
DUFFERIN AV
JARVIS AV
JARVIS AV
SUTHERLAND AV
SUTHERLAND AV
HIGGINS AV
HIGGINS AV
HENRY AV
EUCLID
POINT DOUGLAS
POWERS ST
SALTER ST
SALTER ST
AIKINS ST
AIKINS ST
AIKINS ST
CHARLES ST
CHARLES ST
ROBINSON ST
ROBINSON ST
SCHULTZ ST
SCHULTZ ST
CHARLES WALK
STELLA WALK
KING ST
KING ST
DERBY ST
GIIWE CV
HABITAT PL
LORD SELKIRK PARK
LIZZIE ST
LIZZIE ST
PATRICK ST
LAURA ST
LAURA ST
ELLEN ST
FOUNTAIN ST

Lord Selkirk Park Project. (2000-2001)


NORTH POINT DOUGLAS

Map 7. North Point Douglas Project (2002-2003).

Park from 2000 to 2001 (Maps 5 and 6). A more extensive program was then carried out across William Whyte from 2001 to 2003 (Map 5). A third initiative began in North Point Douglas in 2002 (Map 7). These additional clusters were expected to reinforce perceptions that a critical mass of housing was to be renovated.

Assessment

Trends in housing prices on Alfred Avenue were compared to those on adjacent streets. Four streets were originally chosen for comparison - two to the north of Alfred, and two to the south. Originally these comparison streets were Redwood, Aberdeen, Burrows and Magnus (Map 4). Burrows and Redwood, however, had to be excluded from the study.

Burrows and Redwood are four-lane thoroughfares with intersections controlled by traffic lights. Traffic flows on these streets are much greater than those on residential streets such as Alfred. It was anticipated that the housing markets on Burrows and Redwood may have been different from that on Alfred, and these streets may have been inappropriate comparisons. Burrows and Redwood were dropped from the study, and Manitoba and Boyd were added as the next closest streets to the south (Manitoba), and to the north (Boyd).

Boyd, however, also turned out to be an inappropriate comparison. Housing prices on Boyd were found to be substantially higher than those on the other streets across most years of the study. This comparison is shown in Table 5.9. Prices were, on average, 31.3 percent higher on Boyd, than the combined average for Alfred, Aberdeen, Magnus, and Manitoba. They ranged from -7.9 percent lower in 2001 to 64.0 percent higher in 2000. A *t*-test (see below for a discussion of the *t*-test) found these differences to be statistically significant for the overall average across the study, and for four individual years of the nine years examined (please see (Appendix A) for significance levels). Boyd Avenue, therefore, appeared to reflect a housing submarket quite different from that of the other streets. It was probably a reflection of the market in Real Estate Area 4C to the north of Mountain. Prices in Real Estate Area 4C were, on average, 98.6 percent higher than those in Area 4A from 1991 to 2002. Differences between Areas 4A, 4B, and 4C are shown in Table 5.10. As a different housing submarket from the other four streets, Boyd was also excluded as from the study. This left only Aberdeen, Magnus, and Manitoba as usable comparisons.

Table 5.9 Housing Prices Boyd Ave. compared to Four Study Street Average (significant *t*-test scores in bold)

Year	Boyd	4 Streets	Difference (Price)	Difference (Percent)	*t*-test score	degrees of freedom	Significance Level
1994	30,500	26,374	4,126	15.6	0.590	34	--
1995	36,195	22,896	13,299	58.1	**2.003**	29	.05
1996	27,486	22,839	4,647	20.3	1.113	36	--
1997	25,117	20,841	4,276	20.5	1.294	37	--
1998	22,875	14,372	8,503	59.2	**2.298**	30	.025
1999	19,330	17,253	2,077	12.0	0.512	45	--
2000	23,525	14,343	9,182	64.0	**2.766**	39	.005
2001	16,875	18,327	-1,452	-7.9	-0.331	28	--
2002	36,000	23,988	12,012	50.1	**1.806**	39	.05
Average	26,434	20,137	6,297	31.3	**2.361**	16	.025

Source: WREB MLS (Note: Data for Boyd were collected early in the study. Some data are missing compared to later data.)

Table 5.10 Price Differences Real Estate Areas 4A, 4B, and 4C.

Year	Real Estate Area 4A (1)	Real Estate Area 4B (2)	Difference from 4A in Dollars (2)-(1) (3)	Difference from 4A in Percent (3)/(1) (4)	Real Estate Area 4C (5)	Difference from 4A in Dollars (3)-(1) (6)	Difference from 4A in Percent (6)/(1) (7)
1994	30,019	46,992	16,973	56.5	53,601	23,582	78.6
1995	28,358	43,819	15,461	54.5	53,061	24,703	87.1
1996	23,890	38,767	14,877	62.3	53,375	29,485	123.4
1997	22,952	37,089	14,137	61.6	50,838	27,886	121.5
1998	21,211	39,986	18,775	88.5	48,813	27,602	130.1
1999	19,611	36,771	17,160	87.5	47,078	27,467	140.1
2000	21,657	39,535	17,878	82.6	51,417	29,760	137.4
2001	22,770	39,422	16,652	73.1	52,839	30,069	132.1
2002	26,628	42,674	16,046	60.3	54,730	28,102	105.5
Average	26,226	41,273	15,047	57.4	52,075	25,850	98.6

The east and west boundaries of the study area were Main Street and McGregor Street. Housing west of McGregor also appears to reflect a different housing submarket from the blocks further east. Housing prices west of McGregor, for example, (addresses 595 to 750 on Alfred) were higher for seven of the nine years of this study, and averaged 30.0 percent higher across the period. Average prices ranged from -5.9 percent lower in 1997 to 92.9 percent higher in 1998. Higher prices were statistically significant using a *t*-test for five of the nine years of the study (Appendix A).

These prices are compared in Table 5.11. Real Estate Area 4B begins at Arlington, two blocks west of MacGregor. This area had higher average prices for every year of the study. On average, prices in 4B were $15,047 or 57.4 percent higher than those for 4A from 1991 to 2002. These differences are shown in Table 5.8 (along with those of 4C).

Table 5.11 Housing Prices West of MacGregor on Four Study Streets compared to prices East of MacGregor

Year	West of MacGregor (nos. 600-800)	East of MacGregor (nos. 200-600)	Difference (Price)	Difference (Percent)	*t*-test score	degrees of freedom	Significance Level
1994	30,163	26,374	3,789	14.1	1.090	47	--
1995	31,063	22,896	8,167	35.7	**1.399**	32	.10
1996	35,461	22,839	12,622	55.3	**3.410**	47	.0005
1997	19,611	20,841	-1,230	-5.9	0.138	37	--
1998	27,718	14,372	13,346	92.9	**4.658**	45	.0005
1999	10,718	17,253	-6535	-37.9	-1.645	46	--
2000	25,703	14,343	11,360	79.2	**3.504**	39	.0005
2001	28,733	18,327	10,406	56.8	**2.078**	35	.025
2002	26,474	23,988	2,486	10.4	0.711	53	--
Average	26,183	20,137	6,046	30.0	**2.159**	16	.025

This study therefore analyzed housing prices on six blocks from Main Street to McGregor Street (Map 4) and on four streets - Aberdeen, Alfred, Magnus and Manitoba). This was consistent with the 500-2000 foot radius commonly used in other studies. Low prices in these study areas, compared to surrounding areas, appear to reflect the more deteriorated conditions in this part of William Whyte.

Study Outcome

The study analyzed all MLS housing sales on six blocks of the four streets across the years 1994 to 2002. As mentioned, there were a total of 263 MLS sales for the period. The mean number of sales per street per year was 7.3. Mean sale prices for the four streets are shown in Table 5.12, along with the number of sales per year. Prices for years in which there were fewer than three sales (for example on Manitoba Avenue in 2000 and in 2001) have been kept in the table. Normally these samples would have been considered too small to be meaningful. However, these data have been kept in the table for two reasons. First, a paltry number of sales can be an indication of precisely the phenomenon

Table 5.12 Comparison of Prices Among the 4 Study Streets

Year	All Streets Average (1)	# (2)	3 Comparison Streets Average (3)	# (4)	Alfred (5)	# (6)	Aberdeen (7)	# (8)	Magnus (9)	# (10)	Manitoba (12)	# (13)	t test Alfred/All (14)	Signif Level (15)	Degrees of freedom (16)
94	26,366	31	26,780	22	25,536	9	26,378	9	29,000	2	26,705	11	-0.300	-	29
95	22,770	27	24,025	20	19,186	7	26,657	7	19,000	5	24,863	8	-0.844	-	25
96	22,717	30	21,417	24	27,917	6	18,367	9	22,696	7	23,729	8	1.561	0.100	29
97	20,841	30	20,620	21	21,354	9	22,761	10	19,427	8	16,667	3	0.209	-	28
98	14,569	26	15,047	17	13,666	9	18,400	6	13,187	8	13,300	3	-0.504	-	24
99	17,614	38	16,923	28	19,550	10	18,223	13	18,375	6	14,078	9	0.604	-	36
00	14,343	23	10,900	14	19,700	9	10,117	6	12,414	7	5,000	1	2.794	0.010	21
01	18,629	21	17,560	15	21,300	6	22,000	5	17,863	8	5,250	2	0.709	-	19
02	23,281	34	22,515	26	25,769	8	26,300	10	22,033	12	14,500	4	0.570	-	32
Overall Avg	19,731		19,159		21,026		20,363		18,995		16,199				
Total Sales		260		187		73		75		63		49	**All**	**Total**	260
Avg #		28.9		20.8		8.1		8.3		7.0		5.4		**Avg**	7.2

a)	**Decline 1994 - 1998**	-44.7%	-43.8%	-46.5%	-30.2%	-54.5%	-50.2%
b)	**Decline 1998 - 2000**	-1.6%	-27.6%	44.2%	-45.0%	-5.9%	-62.4%
c)	**Recovery 1998 - 2002**	59.8%	49.6%	88.6%	42.9%	67.1%	9.0%
d)	**Recovery 2000 - 2002**	62.3%	106.6%	30.8%	160.0%	77.5%	190.0%

that is of interest to the dissertation. Secondly the sales data may be supplemented by other data which reinforce the pattern described here. They do so, however, ton the basis of significantly larger samples.

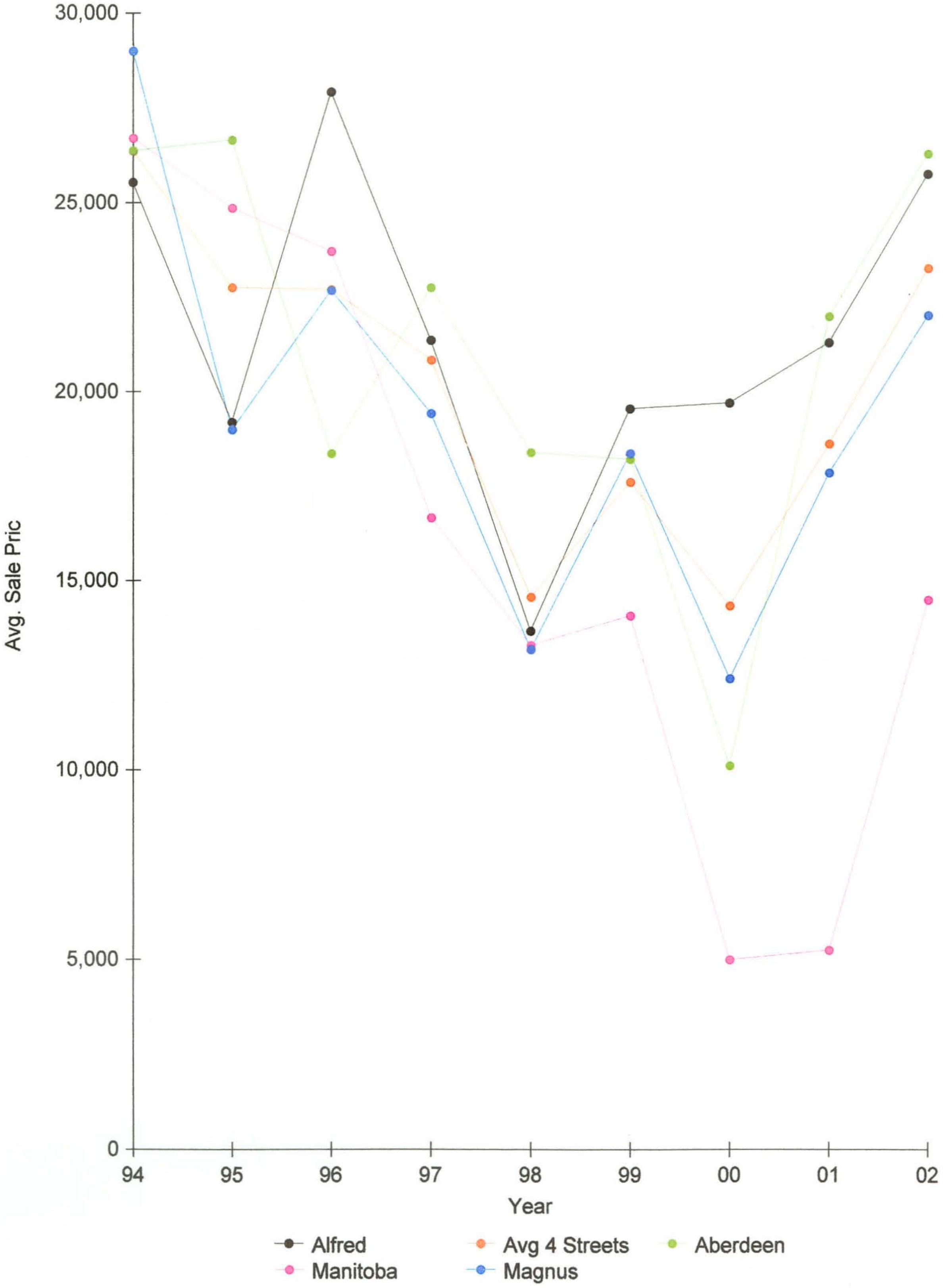
Column 1 of the table shows the mean sale prices for all four streets combined across all years. Column 2 shows the number of sales per year. Column 3 shows the average prices for the three comparison streets (excluding Alfred) and Column 4 shows the number of those sales per year. Columns 5 through 13 show mean sale prices for each individual street (Alfred, Aberdeen, Magnus, and Manitoba) and the number of sales per year for each street. These data are also shown in Graph 3. Alfred Avenue is the street where NEHP renovated nine properties in a twelve-month period from 1999 to 2000. It is shown in the graph in black.

Decline

The first pattern to notice in these data is the rapid decline of housing values from 1994 to 1998. This pattern is evident in the combined data (columns 1 and 3), and on each individual street (columns 5 through 13). The pattern mirrors the decline seen in the data for Real Estate Area 4A and for William Whyte neighbourhood (Table 5.2 and Graph 1). The pattern is clearly seen in Graph 3. There is a clear downward trend for all streets until 1998 and for most streets until 2000. The cumulative percentage of decline from 1994 to 1998 is shown in row (a) below Table 5.12. The cumulative decline from 1998 to 2000 is shown in row b). The two trends are shown separately because for Alfred Avenue the trend turns positive in 1999 while trends for the other streets continue to be negative. The steepest decline for 1994 to 1998 was on Magnus at -54.5 percent. The least decline was on Aberdeen at -30.2 percent. For Alfred and Manitoba declines were -46.5 percent and -50.2 percent respectively.

Graph 3 - Alfred and Adjacent Streets

Housing Prices



For three of the four streets decline did not end in 1998. On Aberdeen and Manitoba prices declined by a further -45.0 percent and -62.4 percent respectively over the next two years (row b below the table). On Magnus, prices rose briefly and then fell again to $12,414 in 2000, the second lowest level for Magnus for the period.

Reversal

Average housing prices on Alfred Avenue, in contrast to the other streets in the group, recovered from 1998 to 2000. As shown in row b) below the table, prices on Alfred rose 44.2 percent during the period from 1998 to 2000. Over the longer period from 1998 to 2002 (row c) prices on Alfred rose by 88.6 percent. While prices declined after 1998 on Aberdeen, Manitoba, and Magnus, the trend for Alfred moves sharply upward in 1999. This is evident in Graph 3.

To summarize, prices recover first on Alfred in 1999 and continue higher. Recovery follows on Aberdeen and Magnus in 2001, and finally occurs on Manitoba in 2002. Recovery on Alfred coincides with the year in which NEHP started its renovation work on that street (1999). The ten-house cluster was begun in 1999 and completed in 2000. Renovation work continued in other parts of William Whyte and in adjacent neighbourhoods after 2000 (Maps 5, 6, and 7). This continued renovation work, plus an improving general real estate market, may have reinforced any positive perceptions of housing market trends in the neighbourhood. It must be borne in mind that NEHP had not sold any of its properties, but simply rented them to low income tenants. Any effect of NEHP work on housing markets could only be through perceptions of neighbourhood change, and not through price signals from NEHP sales.

Discussion

This pattern of decline and recovery tends to confirm the study hypothesis. Recovery begins on the street where major development was undertaken. It appears in the year that the work was begun (and one year prior to any sharp increase across the city). Recovery spreads to other streets from Alfred in a widening geographic radius. This would suggest that the housing development may have had an impact on housing prices across the neighbourhood.

The study attempted to confirm the significance of these impressionistic findings by subjecting the data to a statistical test.

t-test

The data for the four streets were analyzed by means of a simple *t*-test (Bernard, 1994). The procedure compares two means taken from the same parent population and indicates whether any differences between them are greater than would be expected in a normal range of variability. Differences greater than normal variability suggest the effects are caused by an external agent. In a *t*-test, differences that have a p-value of 0.1 percent or less are considered significant. In this study the *t*-test was applied to the mean prices on Alfred Avenue compared to the combined means of the three comparison streets for each year of the study (please see Appendix A for significance levels).

For the study hypothesis to be confirmed one would expect to see no significant difference in means in the years prior to the renovation activity. During and after that year, one would expect to see a significant and positive difference on Alfred Avenue. As positive expectations spread to other streets in subsequent years one would expect to see prices on those streets "catch up" to Alfred.

Results

The results for the *t*-test for Alfred Avenue are presented in Table 5.12. As the table indicates, there were two significant findings for the period. One occurs in 1996, and the other in 2000. The first finding is only slightly over the significance threshold of 0.1. The result appears to be due to unusually low prices on Aberdeen ($18,367), while those on Alfred were unusually high ($27,714). The unusually high value on Alfred is due, in part, to one sale at $42,000 that year. The remaining sales, still averaged $25,333 which is still higher than the average for the four streets that year. The low values on Aberdeen reflect the fact that out of nine sales that year there were none over $28,000. This is unusual, and occurs only one other time on Aberdeen over the nine years. (Actual sales for all four streets over the entire study period are attached in Appendix B)

This finding is only slightly into the significant range. If Aberdeen is excluded from comparison with Alfred (i.e.. only Magnus and Manitoba are used, with a mean price of $23,213), the significance of the comparison disappears. The *t*-test score for Alfred at $27,714, compared to the mean price of Magnus and Manitoba at $23,213, is 1.091 which is not significant. Similarly, if the single high end sale on Alfred of $42,000 is excluded, the value for Alfred is $25,333. If this price for Alfred is compared to the existing mean for the three streets at $21,417 (which includes the low price on Aberdeen) the *t*-test score becomes 0.949, which is not significant. It appears that the significant score for 1996 is due either to abnormally low prices on Aberdeen, or to one high end sale on Alfred Avenue that year. The data appear to be an anomaly, and one that would probably disappear if samples were larger.

Conclusion

The results of this study support the hypothesis that NEHP renovation work may have had an impact on housing prices in William Whyte. Particularly suggestive is the fact that a dramatic and statistically significant upturn in prices on Alfred occurred in 1999, a year that coincides with the undertaking of renovation work on that street. This impact would likely be a positive externality of the renovation work, since NEHP paid consistently lower prices than the neighbourhood average for its acquisitions, and as of 2003, it had not resold any of its properties. The inference that renovation work had a positive external influence will be further tested through interviews with residents of the Alfred Avenue neighbourhood. That study will assess perceptions of housing values and maintenance decisions based on those perceptions.

These data suggest that NEHP's strategy of renewing housing in clusters may have been effective. The steep decline in housing prices appears to have been halted and reversed. Average prices in 2002 have returned to levels close to those of 1994. Since their lowest point (1998) prices have improved by 59.8 percent on the four streets, and by 88.6 percent on Alfred Avenue itself.

This recovery has most likely been aided and accentuated by the robust activity in Winnipeg housing markets. It remains to be seen whether improved housing prices will contribute to increased maintenance decisions by homeowners. This dimension will be explored through interviews in Chapter 10.

CHAPTER 6

Housing Market Analysis

The preceding analysis of changes in housing values in William Whyte focused on data from actual sales. This reflects an assumption that the most definitive measure of the value of property is the amount that a purchaser is prepared to pay for it. This is an important assumption. However, it produces certain difficulties when markets are depressed. In years when markets are weak there may be very few sales and the result is very small sample sizes. This occurred on Manitoba Avenue between 1997 and 2001. Sample sizes were as follows:

Table 6.1 Sample Sizes for Housing Sales on Manitoba Avenue 1994 to 2002

Year	Number of Sales
1994	11
1995	8
1996	8
1997	3
1998	3
1999	9
2000	1
2001	2
2002	4

The normal approach to dealing with such small samples is to delete them from the analysis. It is difficult to contend that they are meaningful because they may simply represent isolated or atypical examples. In the case of declining housing markets, however, in a small area such as six blocks of one street, very sparse sales, at very low prices, may be an indicator of the phenomenon that is the subject of the study. This creates a dilemma over whether to include such data in the analysis, or to ignore them.

If the only information available about these transactions were sale prices, then the appropriate action would be to delete small samples. In the case of the William Whyte housing market, however, more comprehensive information is available, and it is based on significantly larger samples. This allows for more comprehensive analysis of what may be occurring in these markets.

This information includes the number of properties offered for sale, the length of time they were on the market prior to sale or the expiry, trends in asking prices of properties, and the differences between asking prices and final sale prices. The Winnipeg Real Estate Board uses similar data to indicate the vitality of markets in each of its real estate areas. A selected sample of the WREB's data is shown in Table 6.2

Table 6.2 shows the type of information that is tracked by the WREB for each real estate area in Winnipeg. It includes the number of listings, the volume of sales, average selling prices, average days to sale, and the ratio of sales to listings. The data provide a useful picture of the relative vitality of the market in each area.

Table 6.2 Data from Selected Real Estate Areas in Winnipeg - Jan. 1 to Dec 31, 2001

	4A	**1C**	**2G**	**5A**	**1E**	**2B**	**3E**
Listings	238	303	149	262	131	138	71
Sales	102	255	135	109	78	125	58
Avg Selling Price	22,770	137,705	94,265	34,276	247,363	76,774	119,456
Avg Days to Sale	84	41	17	100	97	37	38
% Sales/Listings	43	84	91	42	60	91	82

Areas 4A and 5A, for example, are evidently slow markets. Prices are low, properties are on the market for a relatively long period of time, and a relatively low percentage of listings result in a sale. Only 43 percent of properties listed in Area 4A eventually sold. Forty-two percent of those listed in Area 5A resulted in a sale. Housing was on the market an average of 84 days in 4A, and 100 days in 5A, before it finally sold. This may be contrasted with areas such as 2G and 2B in which 91 percent of properties listed were sold, and housing was on the market an average 17 and 37 days in the two areas respectively. Higher priced areas did not necessarily have a quicker turnover, or more certainty of sale. Areas 1C and 3E, for example, had higher prices than other areas in the sample, but they had fewer sales per listing than 2G and 2B (82 percent in 3E and 84 percent in 1C compared to 91 percent in both 2G and 2B). On average properties took 38 days to sell in 3E and 41 days to sell in 1C compared to the quick turnover of 17 days in 2G.

Area 1E is a high priced neighborhood. This real estate area roughly corresponds to the Tuxedo neighborhood of Winnipeg. It has the highest real estate values in the city. Such high-end properties, however, took longer to sell, than more moderately priced ones in neighbourhoods such as 1C, 2G, 2B, and 3E. Properties in 1E were on the market on average 97 days compared to 2G (17 days), 2B (37 days), 3E (38 days), 1C (41 days), and 4A (84 days). Only 60 percent of listings in Area 1E concluded in sale compared to 3E (82 percent), 1C (84 percent) 2G (91 percent) and 2B (91 percent). These data provide an insight into the relative vitality of these submarkets.

Data for William Whyte

Similar data may be compiled for the six blocks of the four streets in William Whyte which were examined earlier in this study. Such data may be used to supplement sales data in cases where samples are very small. These data include:

- the number of listings per street per year
- the ratio of sales to listings per year
- the number of days to sale or expiry of a listing. ("Expiry" will be defined in a particular way for this study. This will be elaborated below)
- comparisons of the asking prices to final sale prices
- trends in asking prices

Market History of an Individual Property

Before considering aggregate market history for the four streets, it is useful to examine the information available on an individual property in the WREB database. This will help to clarify the working definitions that were used in this analysis. Table 6.3 presents an actual entry for a property in William Whyte as it appears in the WREB database. The address and the Multiple Listing numbers for this entry have been disguised to preserve anonymity. All other values and dates are as they appear in the database. Various "attempts to sell" the property, as defined by this study, are shown for clarification.

Table 6.3 Sample Listing from the Database of the Winnipeg Real Estate Board.

555 Neighbourhood Street

ML#	**Status**		**Price**	**Date**	**DOM** (days on the market)	
1200	X	$	20000	12/31/02	175	
1100	A	$	20000	07/09/02		4th Attempt
1000	X	$	29900	09/30/01	107	
9999	A	$	29900	06/15/01		
8888	S	$	11000	02/24/98	13	3rd Attempt
7777	A	$	13900	02/24/98		
6666	X	$	24900	07/31/96	182	
5555	A	$	24900	04/10/96		2nd Attempt
4444	A	$	33900	01/31/96		
3333	X	$	39900	01/08/95	92	
2222	X	$	42500	09/21/94	92	1st Attempt
1111	X	$	44500	06/14/94	92	

The parameters for this study were all listings in the WREB database between numbers 185 (Main Street) and 600 (MacGregor Street) on Alfred, Aberdeen, Magnus, and Manitoba, between January 1, 1994 and December 31, 2002. Information for this particular property is shown in Table 6.3. It begins with the first listing at the bottom of the table on 06/14/94. This listing expired on that date (status "X"). The property had been listed at $44,500, and the "days on the market" (DOM) for the listing were 92.

Reading from the bottom upwards, the next listing in the table expired on 09/21/94. This time the price was at $42,500 and the property was on the market again for 92 days. A third listing for the property expired in January, 1995. The asking price this time was $39,900. Again the property was on the market for 92 days.

The WREB database treats each of these listings as separate because each was allowed to expire. However, as the database indicates, the property was relisted each time within days of the previous expiry. Each listing was at a lower price. It seemed reasonable, therefore, for the purposes of this study, to treat these three listings as one attempt to sell the property. If this were the case, and then the original asking price was $44,500, and the final price was $39,900. Total days on the market were 276 (92+92+92). In this study, such consecutive listings will be treated as one "attempt to sell". The total DOM for this attempt will be referred to as "days to sale or expiry", or (DTS/X).

In taking this approach to consecutive listings, the study needed a definition of when one attempt had expired, and another began. For the purposes of this study then, an attempt to sell a property was deemed to have ended if there was a break between listings of 12 months or more. Using these definitions, the remainder of Table 6.3 may be interpreted as follows.

After January 8, 1995 this house was off the market for 12 months and 13 days. This marked the end of the first attempt to sell. On January 31, 1996 the property appeared again as "active" (status "A"). It was now listed at $33,900. While still active, the price was reduced to $24,900 in March, 1996. Finally the listing expired (status "X") in July, 1996 at the reduced price of $24,900. It was followed by a 19-month period in which the property was not listed. The drop in price for this attempt was $9,000 ($33,900 - $24,900). The total days to sale or expiry (DTS/X) was 182.

After 19 months off the market, the property was listed again in February, 1998, at $13,900. This attempt, at a drastically reduced price, resulted in a sale within the month. The closing price was $11,000. The price drop in this attempt was $2,900 ($13,900-$11,000) or 20.8 percent. The total days to sale or expiry (DTS/X) was 13.

In June, 2001, 555 Neighbourhood Street appeared again as active (status "A") listed at $29,900. This listing expired, and after ten months the property was listed again at $20,000. This listing also expired without a sale. This was taken as the fourth attempt to sell the property. Total days to sale or expiry (DTS/X) for this attempt were 282 (107+175). The drop in price was $9,900 ($29,900 -$20,000) or 34.1 percent.

It was quite evident from this property history that the vendor was having difficulty selling the property. It was first listed in 1994 at $44,500. The property was on the market for 276 days without a sale, and saw three price drops. Repeated attempts were made over the next four years to sell the property. The asking price fell from $44,500 to $13,900. The property eventually sold for $11,000. The property appeared on the market again, shortly after, at $29,900, but despite a price drop to $20,000, this attempt ended without a sale.

Aggregate Data

If these types of data are tracked over eight years for each street, particular trends appear. (This data is "soft" in the sense that it deals with asking prices rather than selling prices. It also involves arbitrary decisions by vendors to allow listings to expire rather than to continue to offer the properties for sale. However, the trends related to these activities are evident in the graphs and tables that follow. It will be argued that they suggest a weakening of markets and then recovery. These patterns are consistent with those revealed by the data on sales. In particular, these data fill out the picture of the housing market on Manitoba Avenue where sales samples were very small. This broader picture suggests that, although the samples were small, these may be indicative of a weak market in which there was little demand.

As mentioned earlier, the information that is available from this analysis is the following::

- trends in asking prices
- the number of listings per street per year
- the ratio of sales to listings per year
- the number of days to sale or expiry of a listing.
- comparisons of the asking prices to final sale prices

Asking Prices

The first data to consider are the asking prices for the properties. These are shown for the four streets in Table 6.4 and in Graph 4. Clearly, in terms of data quality, asking prices are not as significant as selling prices. They are determined by the expectations of vendors rather than the payments of purchasers. Nevertheless, it can be argued that a trend in asking prices gives some indication of markets. Unless markets were weakening, one would not expect to see a trend to lower asking prices. In a robust market one would expect to see asking prices remain relatively constant, or to show an increase.

Table 6.4 Asking Prices on the Four Streets from 1994 to 2002

Year	**Asking Prices**							
	Aberdeen		**Alfred**		**Magnus**		**Manitoba**	
	Price	Listings	Price	Listings	Price	Listings	Price	Listings
1994	35,422	16	31,045	22	32,517	23	39,511	31
1995	33,816	31	34,320	30	31,314	29	33,665	28
1996	33,446	38	34,384	27	29,775	27	33,413	26
1997	32,447	34	37,103	28	26,446	32	24,259	17
1998	29,991	22	24,333	24	24,510	29	25,325	19
1999	22,035	17	25,974	23	23,063	15	19,771	14
2000	25,500	16	27,288	20	18,428	16	27,615	10
2001	30,300	16	29,818	17	21,894	16	21,691	11
2002	30,190	21	28,646	14	23,600	19	23,400	11

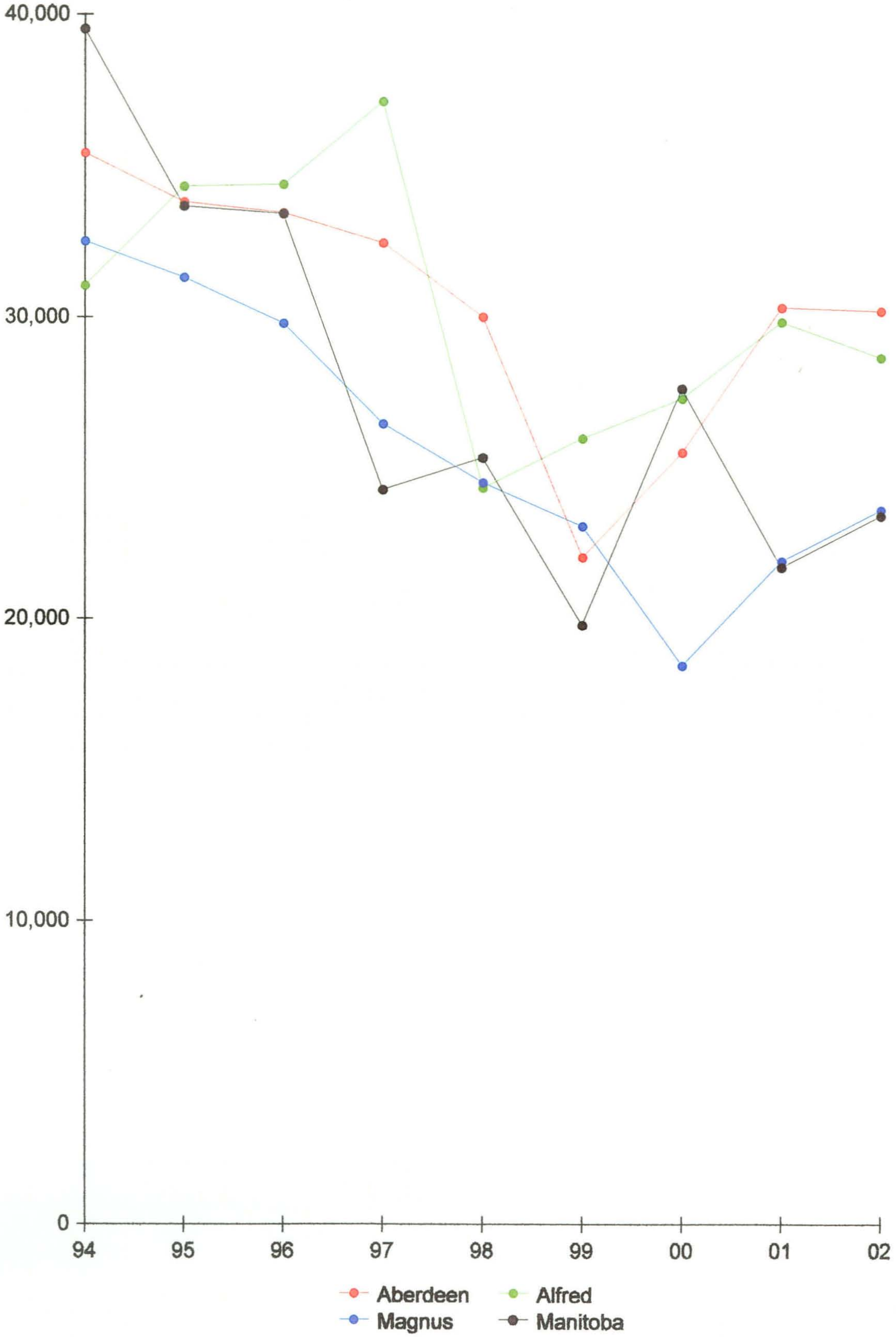
The trends in asking prices are similar to those for selling prices. This was evident in Graph 4. Over time, asking prices decline. Manitoba Avenue and Magnus Avenue are at the lower end of this trend. Prices stay low for longer on these streets than they do on Alfred or Aberdeen.

The first sustained recovery in asking prices is seen on Alfred Avenue. This occurs one year prior to recovery on any other street. This pattern resembles that of sale prices (Table 4.10 and Graph 3). Magnus spikes upward in 1994, but then continues lower. Manitoba spikes dramatically in 2000 but then continues to be relatively low. On closer inspection, it was found that one house listed in 2000 accounted for this spike. The asking price for this property was $69,900. (This was the second-highest listing out of a total of 167 for Manitoba Avenue. The highest was $115,000 in 1994. The asking price of 69,900 is 2.5 standard deviations greater than the mean for all 167 entries across 9 years for Manitoba. Graph 4a shows the asking price for the same data with this one entry removed. The trend is quite clear without this outlying value. It is evident that asking prices recover first on Alfred Avenue.

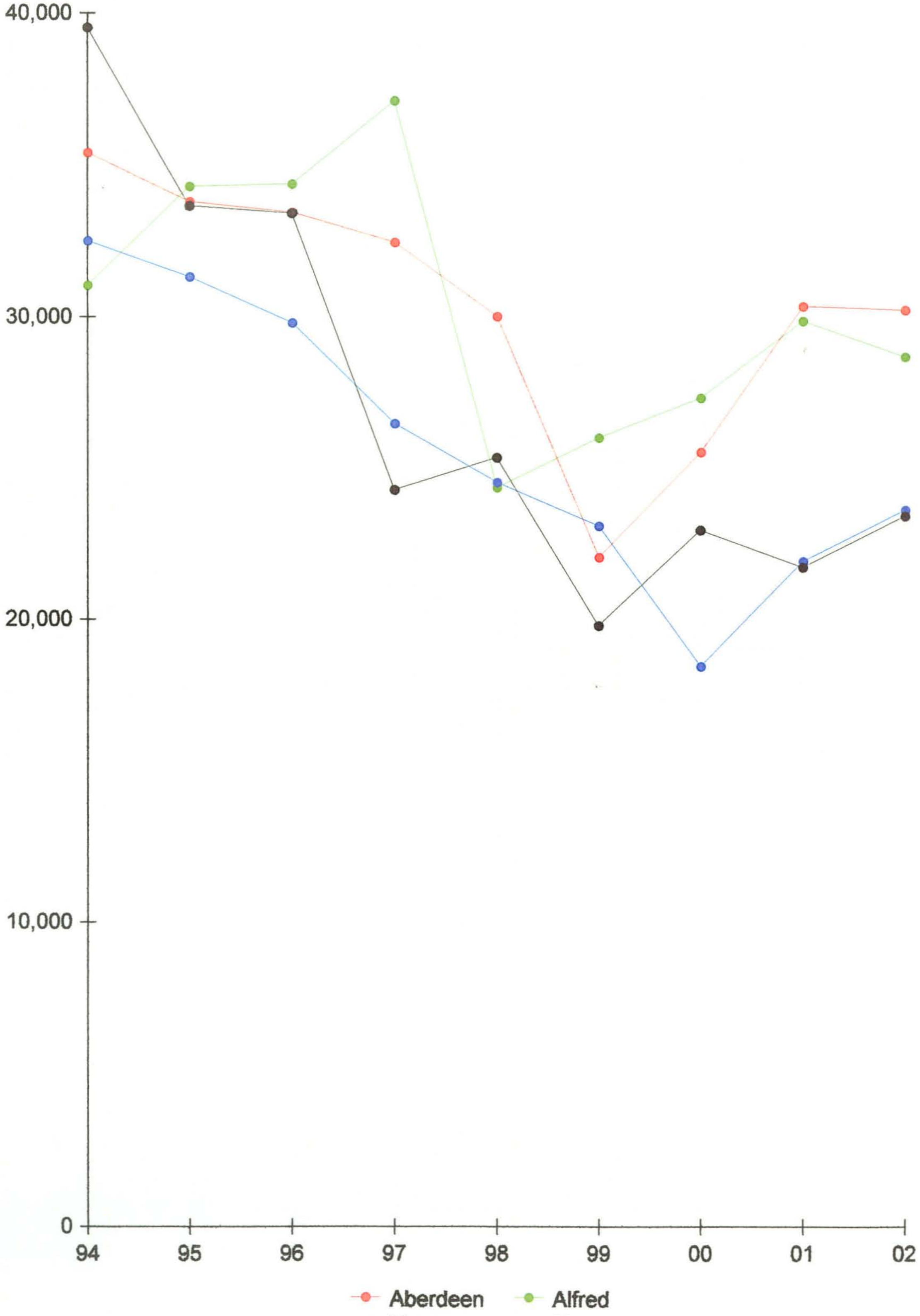
Days to Sale or Expiry (DTS/X)

The days to sale or expiry DTS/X are shown in Table 6.5 and Graph 5. The sample sizes for these data are smaller than those for asking prices (but still larger than samples of sales) because DTS/X pertains only to sales or expiries, while asking prices include active listings in the sample. The trend in these data shows increasingly long periods on the market, up until 1998 for Aberdeen and Alfred, and up until 1999 for Magnus and Manitoba. As Graph 5 indicates, in 1999 recovery occurs first on Alfred Avenue and

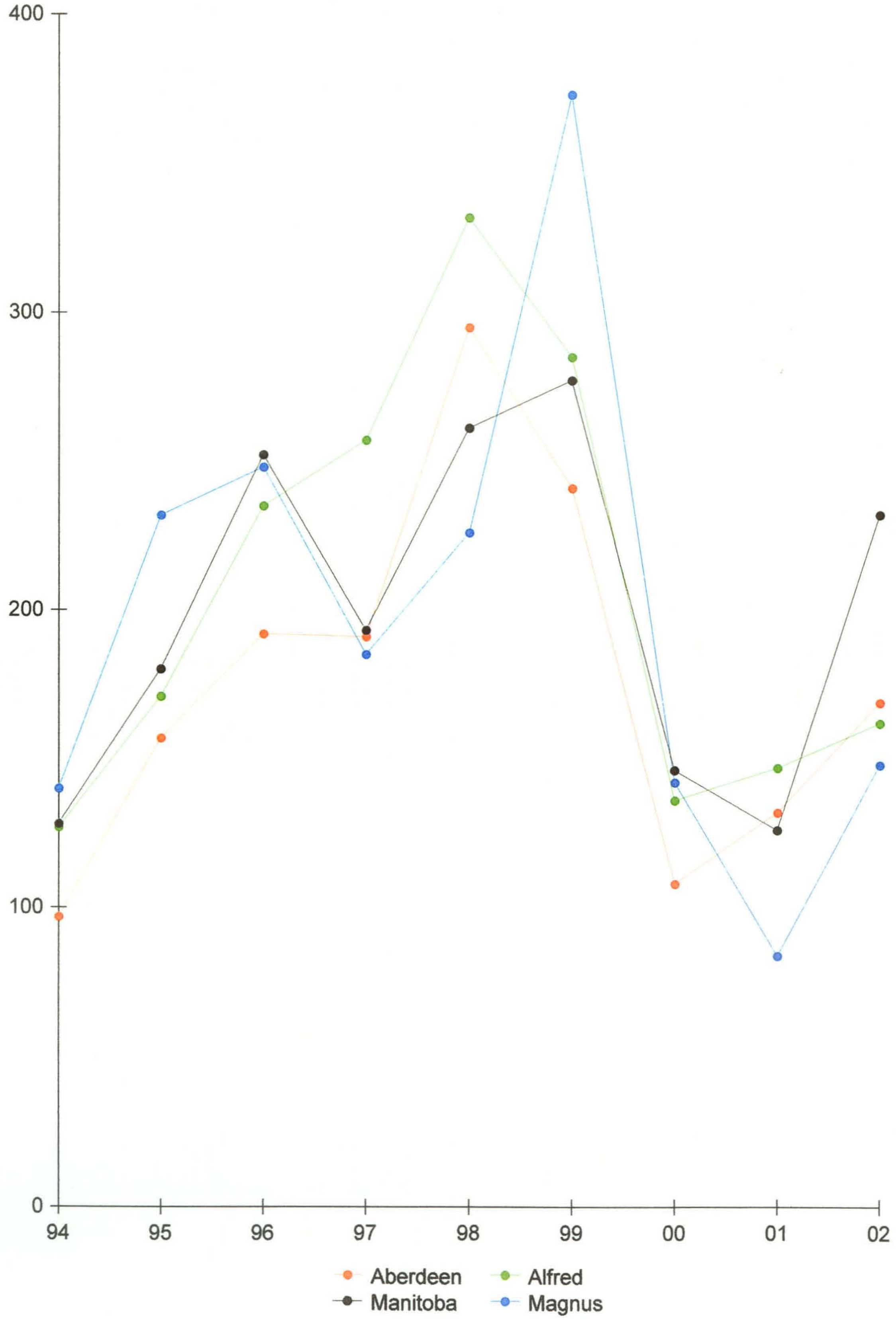
Graph 4 - Asking Prices



Graph 4a - Asking Prices
(Outlying Value on Manitoba Deleted)



Graph 5 - Days to Sale or Expiry



Aberdeen. It is followed by a dramatic recovery on all four streets in 2000. By the end of the study, DTS/X values are again close to those of 1994 on all streets except Manitoba.

Table 6.5 Days to Sale or Expiry DTS/X on the Four Streets from 1994 to 2002

Year	Aberdeen	#	Alfred	#	Magnus	#	Manitoba	#
1994	97	10	127	13	140	23	128	24
1995	157	18	171	16	232	29	180	18
1996	192	20	235	13	248	27	252	20
1997	191	24	257	18	185	32	193	11
1998	295	13	332	14	226	29	261	9
1999	241	16	285	18	373	15	277	13
2000	108	12	136	12	142	16	146	4
2001	132	9	147	13	84	16	126	8
2002	169	21	162	11	148	19	232	10

Average Difference Between Asking and Selling Prices

The amount by which vendors dropped their prices during particular selling attempts is shown in Table 6.6 and Graph 6. Again, the trend is one that might be expected if markets were declining and then recovering. The drop in price grew larger during the period when selling prices in the neighborhood were declining. The price drops became less as selling prices recovered. Graph 6 shows the drop in price in percentage points and Graph 7 shows these values in actual dollars. A significant recovery in these values is seen in 2000. This recovery occurred on Alfred Avenue the previous year (1999).

Graph 6

Avg. Difference Asking-Selling Prices

In Percent

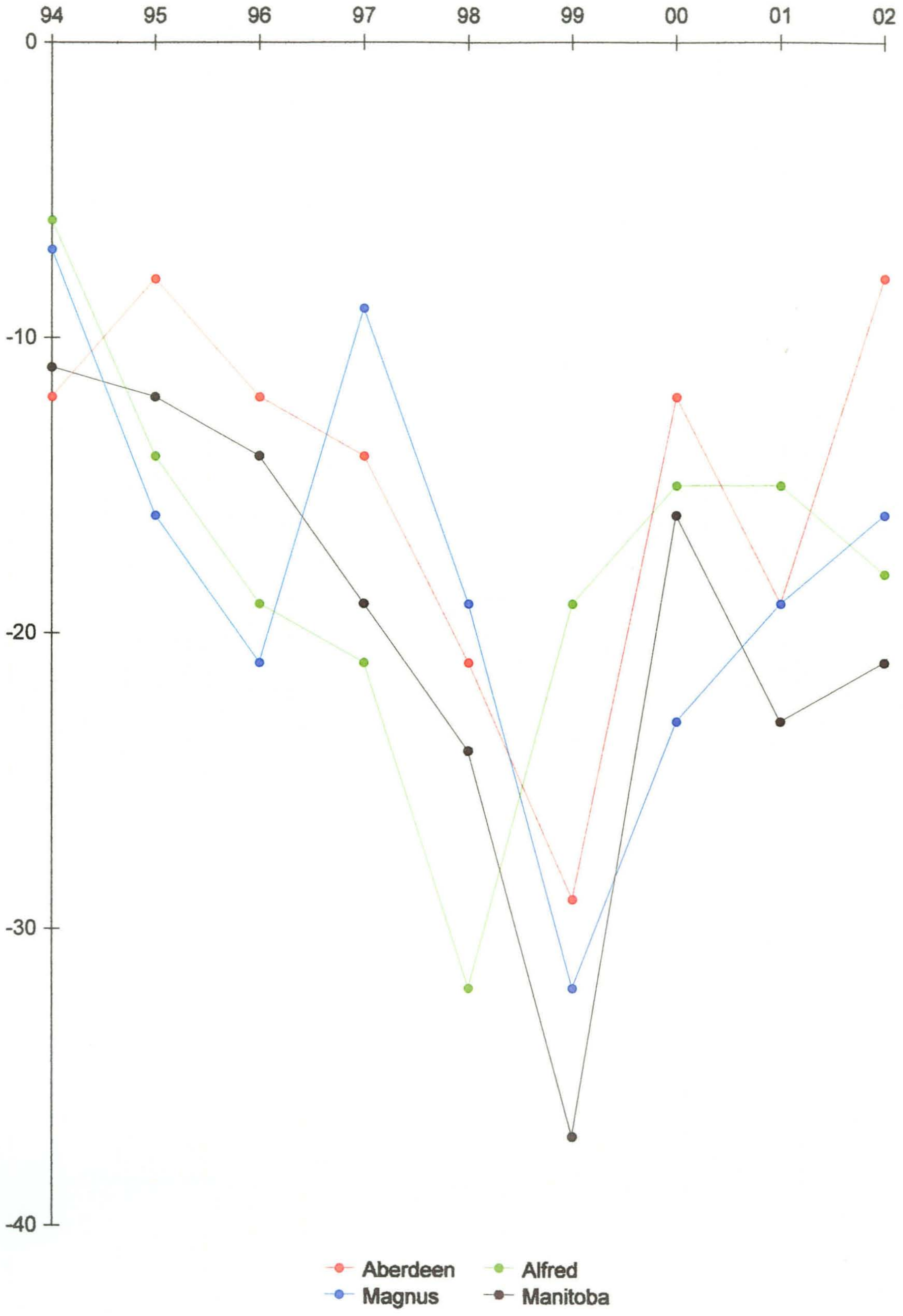


Table 6.6 Average Difference between Asking Price and Selling Price in Percent on the Four Streets from 1994 to 2002

Year	Aberdeen	Alfred	Magnus	Manitoba
1994	-12	-6	-7	-11
1995	-8	-14	-16	-12
1996	-12	-19	-21	-14
1997	-14	-21	-9	-19
1998	-21	-32	-19	-24
1999	-29	-19	-32	-37
2000	-12	-15	-23	-16
2001	-19	-15	-19	-23
2002	-8	-18	-16	-21

Table 6.7 Average Difference between Asking Price and Selling Price in Dollars on the Four Streets from 1994 to 2002

Year	Aberdeen	#	Alfred	#	Magnus	#	Manitoba	#
1994	-3205		-1,977		-2,500		-3,288	
1995	-2,956		-3,971		-4,900		-4,161	
1996	-3,314		-8,033		-6,473		-4,439	
1997	-4,306		-6,795		-3,114		-6,264	
1998	-6,500		-9,960		-4,417		-9,456	
1999	-7,472		-5,433		-10,685		-8,998	
2000	-5,467		-3,200		-4,683		-5,725	
2001	-3,857		-4,208		-3,550		-3,280	
2002	-4,382		-6,414		-4,953		-5,755	

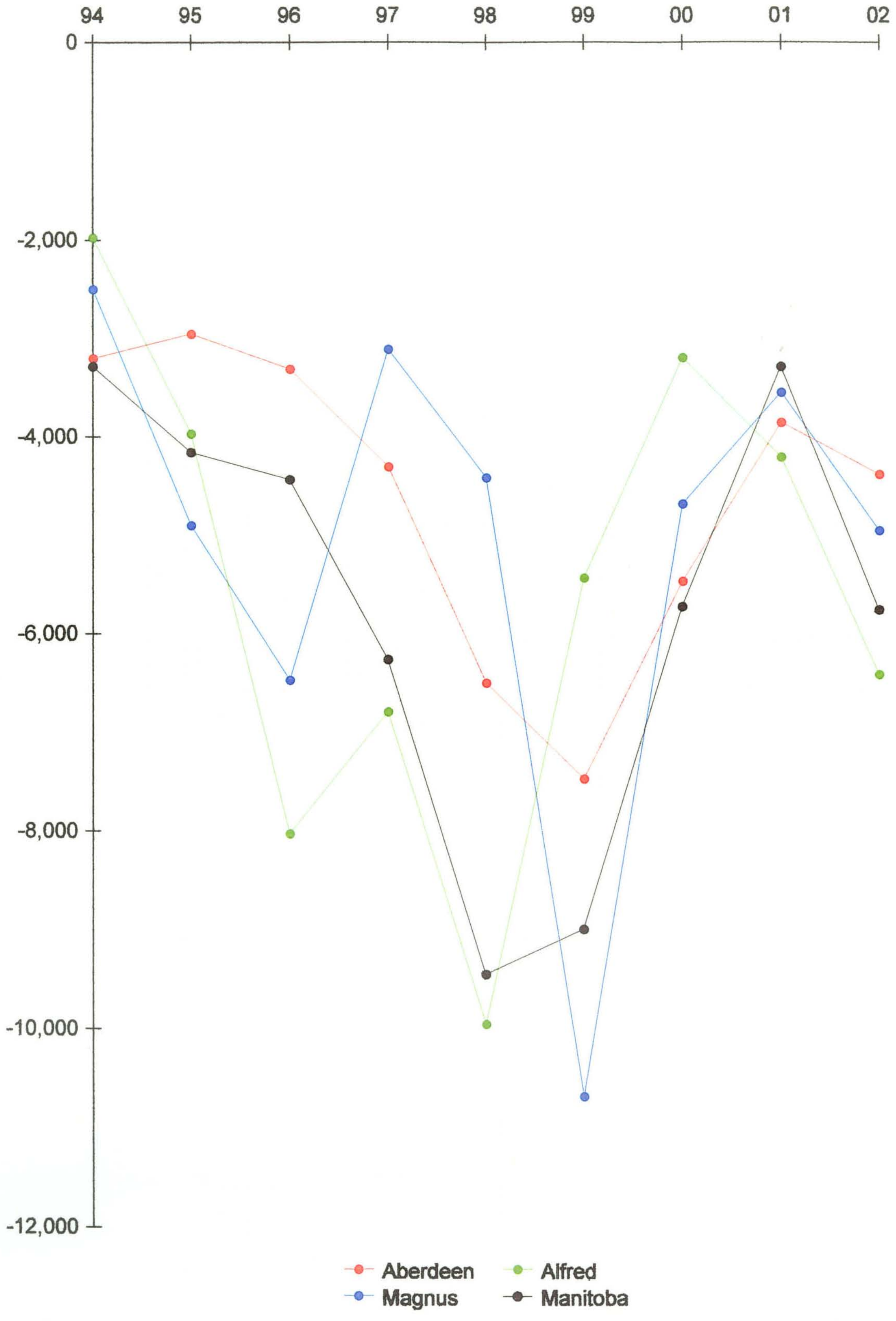
Ratio of Sales to Listings

The ratios of sales to listings is shown in Table 6.8 and in Graph 8. These data do not reveal a particular pattern. It was expected that as the housing markets weakened, that this ratio would decline. Instead, for all four streets the trend in these data is upward.

Graph 7

Avg. Difference Asking - Selling Prices

In Dollars



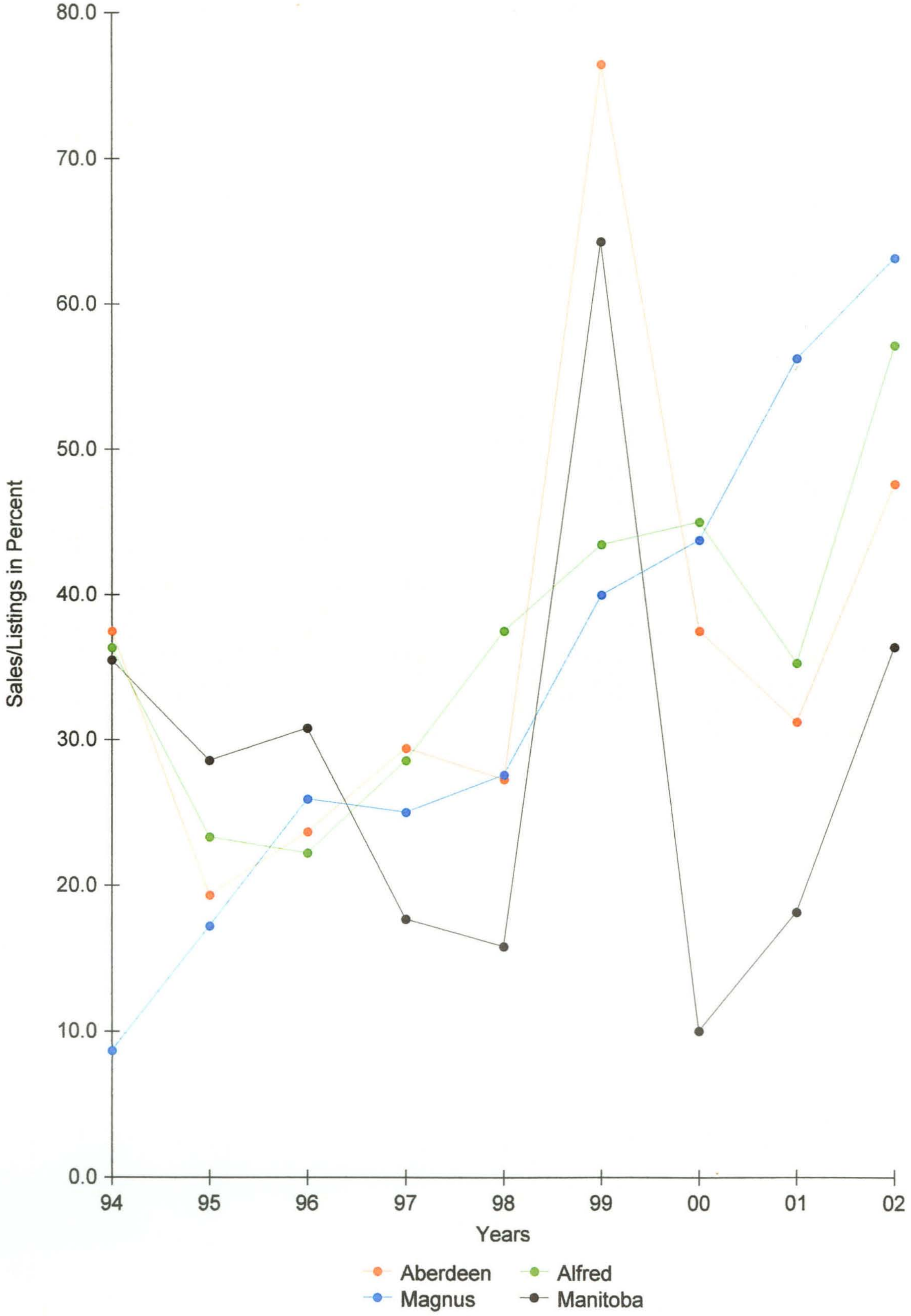
Oddly, there is a significant spike in 1999 on Manitoba and Aberdeen. There is a lesser crest on Alfred Avenue the same year.

Table 6.8 Ratio of Sales to Listings on the Four Streets from 1994 to 2002

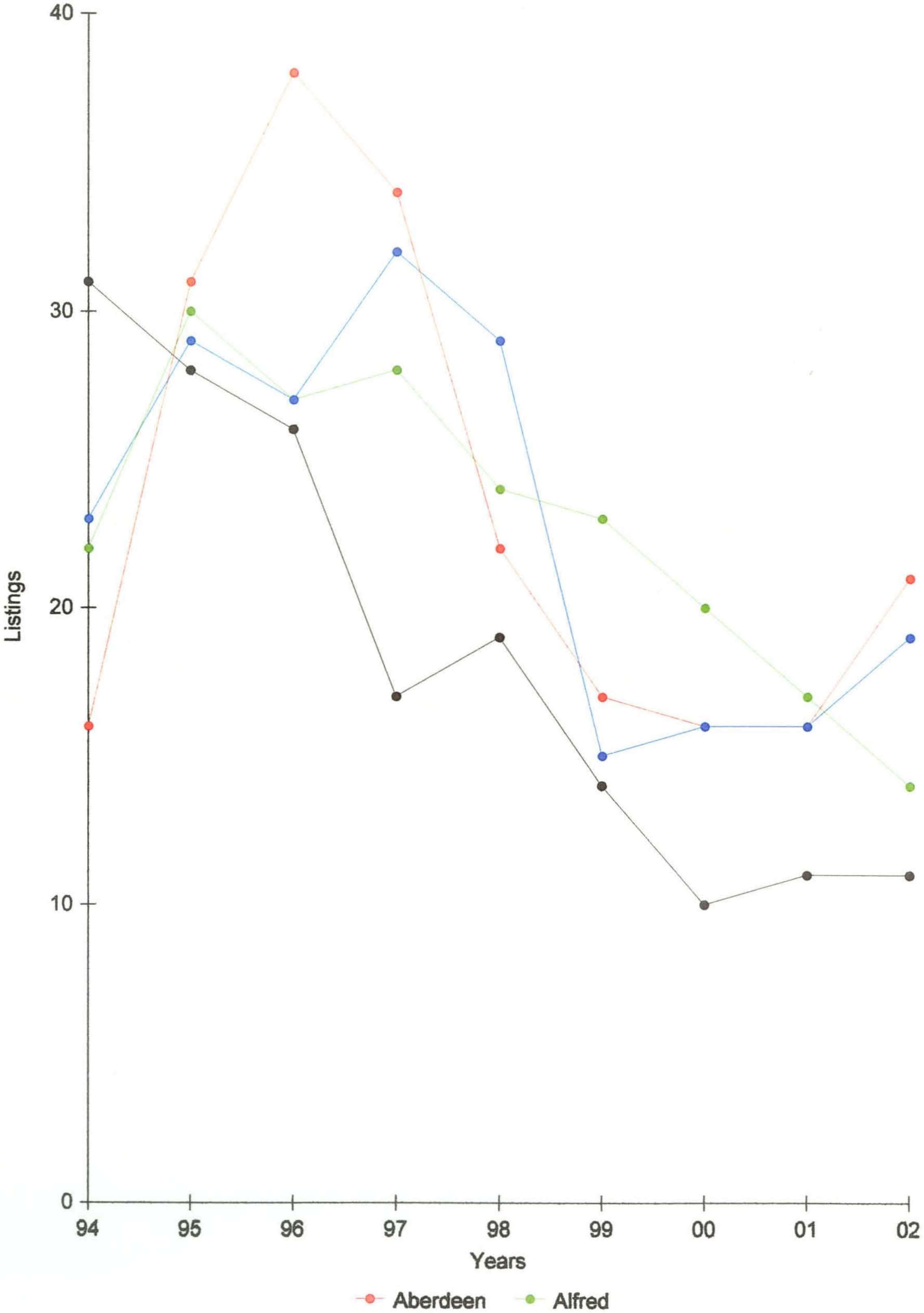
Year	Aberdeen	Alfred	Magnus	Manitoba
1994	37.5	36.4	8.7	35.5
1995	39.4	23.3	17.2	28.6
1996	23.7	22.2	25.9	30.8
1997	29.4	28.6	25.0	17.6
1998	27.3	37.5	27.6	15.8
1999	76.5	43.5	40.0	64.3
2000	37.5	45.0	43.8	10.0
2001	31.3	35.3	56.3	18.2
2002	47.6	57.1	63.2	36.4

Graphs 9 and 10 help to explain the pattern. Graph 9 shows the number of listings per year. As anticipated, fewer and fewer properties appear to be offered for sale as average sale prices fell, and as the number of days to sale increased. This pattern is evident on all four streets, but particularly on Manitoba. The trend is visibly downward on Manitoba, with no increases from 1994 to 1996 as on other streets. There also fewer listings per year on Manitoba. As Table 6.8 indicates, there were an average of 4.3 fewer listings (19.5 percent), annually on Manitoba than on the other three streets. This trend to fewer and fewer listings, is one that would be anticipated if markets were weakening.

Graph 8 - Sales to Listings



Graph 9 - Listings



Graph 10 - Sales

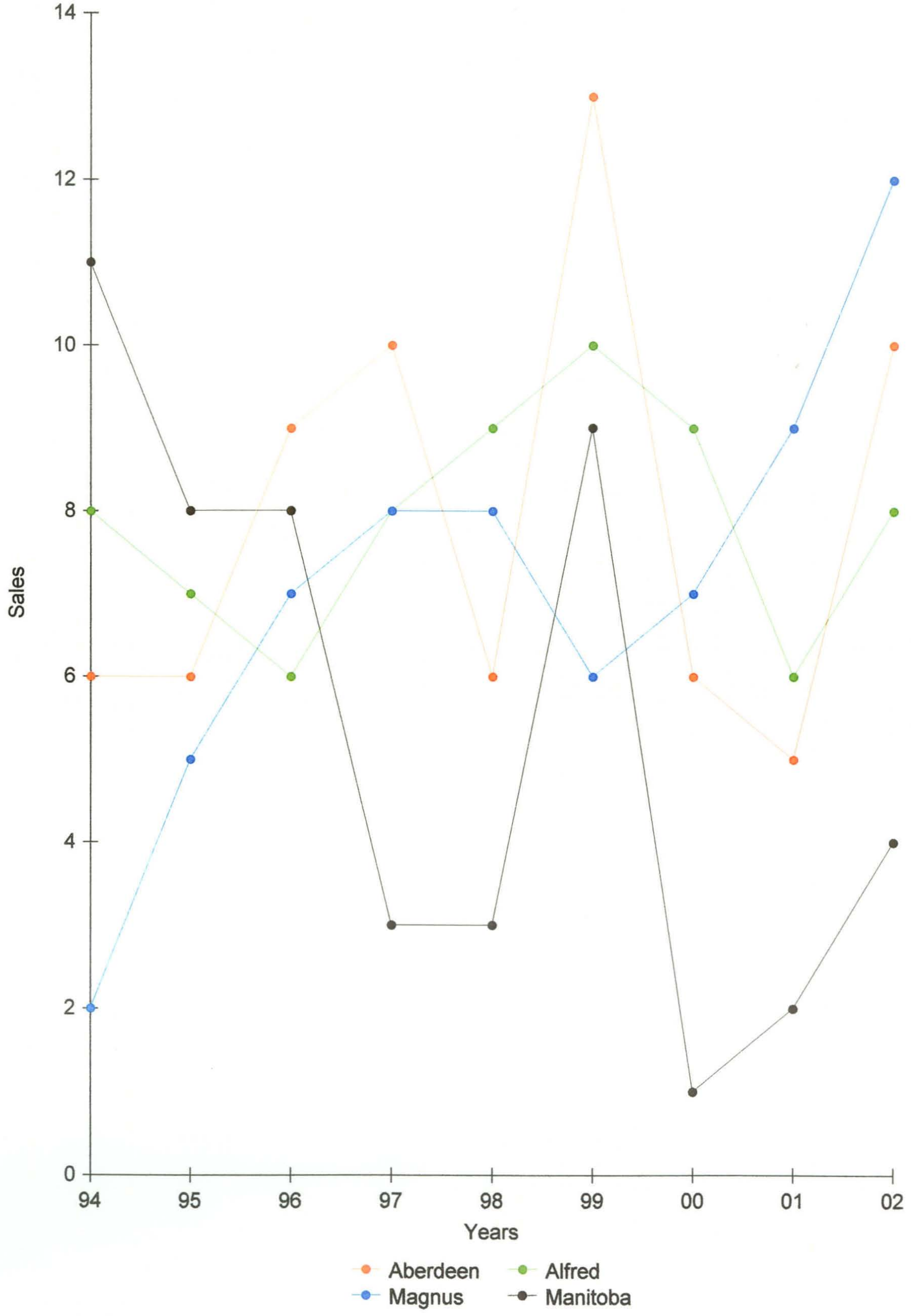


Table 6.9 Listings on the Four Streets from 1994 to 2002

Year	Aberdeen	Alfred	Magnus	Manitoba
1994	16	22	23	31
1995	31	30	29	28
1996	38	27	27	26
1997	34	28	32	17
1998	22	24	29	19
1999	17	23	15	14
2000	16	20	16	10
2001	16	17	16	11
2002	21	14	19	11

Table 6.10 Sales on the Four Streets from 1994 to 2002

Year	Aberdeen	Alfred	Magnus	Manitoba
1994	6	8	2	11
1995	6	7	5	8
1996	9	6	7	8
1997	10	8	8	3
1998	6	9	8	3
1999	13	10	6	9
2000	6	9	7	1
2001	5	6	9	2
2002	10	8	12	4

What is not anticipated, however, are the data on sales. These reveal no clear pattern. The number of sales generally increases across the period for Alfred and Magnus. The number of sales fluctuates horizontally for Aberdeen, and the data trend downward on Manitoba.

For both Aberdeen and Manitoba the number of sales spike in 1999. On Alfred they also peak in this year, although not has dramatically as on Alfred and Magnus. There appears to be no ready explanation for the data on sales.

Conclusion

The data on sale prices on the four streets revealed patterns that suggested that markets declined from 1994 to 1999 and then recovered thereafter. The recovery appeared first on Alfred Avenue in 1999. From that point it appeared to spread to the other streets. It was difficult, however, to draw firm conclusions, partly because sample sizes on Manitoba Avenue were very small.

A more comprehensive perspective on these markets may be gained by examining the supplemental data presented here. These data have much larger sample sizes. The average sample size is 21.9 listings for asking prices, and 14.5 for DTS/X. Generally, the information from these sources is consistent with the patterns that appeared in the data on sales. Asking prices, for example, declined and then recovered over similar periods to sale prices. They recovered first on Alfred in 1999 and then subsequently on the other three streets in both sets of data. The number of days to sale or expiry increased from 1994 to 1998 indicating weakening demand over these years. Price drops also increased and then declined over the same years. All of these data reinforce the impression that the market on these four streets, and particularly Manitoba, were becoming depressed.

These alternate data provide a plurality of measures to indicate that the housing market on Manitoba Avenue was in serious decline from 1997 to 2001. The main purpose in examining these data is to supplement the small samples in the information on sales.

Since market deterioration is evident from a variety of measures, it is reasonable to conclude that the very small numbers of sales, and very low prices, on Manitoba Avenue over these years, are an indication of decline rather than an absence of data. It may be appropriate, therefore, to retain the figures on sales on Manitoba, not because they are definitive measures, but because they are indicative of a more generally observable phenomenon of decline and recovery.

CHAPTER 7

Employment Creation and Income Retention

As stated in the Chapter 2 of this dissertation, NEHP attempted to apply principles of community economic development to its work on housing renewal. Key principles in this approach are summarized in Table 7.1. In attempting to utilize local production to meet local basic need (convergence), and to retain local income and resources for community use, the project created local ownership of housing and, where possible, employed local residents to carry out its program. The project built backward linkages from the housing work by creating its own renovation company. It built forward linkages in the form of a Salvage Shop in which used building materials were recycled from NEHP demolitions and sold at low cost to residents of the community. NEHP built final demand linkages by insuring that housing would ultimately be owned by local residents who qualified as low income. All local hiring had a focus on developing skills for a segment of the population who had previously lacked such skills, or had been structurally unemployed. These dimensions of community economic development are discussed further below.

Basic Needs

The project served to meet a basic need of low income residents by providing adequate, suitable, and affordable shelter in an area where housing had previously been deteriorated. The project attempted to affect the local housing market to produce external benefits in units close to NEHP housing. The project also attempted to slow outmigration and disinvestment from the neighborhood.

Table 7.1 Community Economic Development Principles

1. Use of locally produced goods and services
    - Purchase of goods and services produced locally
    - Circulation of income within the local community
    - Stronger economic links within the local community
    - Less dependency on outside markets
    - Greater community self-reliance

2. Production of goods and services for local use
    - Purchase of goods and services produced locally
    - Circulation of income within the local community
    - Stronger economic links within the local community
    - Less dependency on outside markets
    - Greater community self-reliance
    - Restoration of balance in the local community

3. Local reinvestment of profits
    - Use of profits to expand local economic activity
    - Investment that increases community self-reliance and cooperation

4. Long-term employment of local residents
    - Employment in areas that have experienced chronic unemployment or underemployment
    - Reduction of dependency on welfare and food banks
    - Opportunities to live more socially productive lives
    - Personal/community self-esteem
    - More salaries spent in the local community

5. Local skill development
    - Training local residents, geared to community development needs
    - High labour productivity
    - More employment in communities that experienced high unemployment

6. Local decision-making
    - Local co-operative forms of ownership and control
    - Grass-roots involvement
    - Community self-determination
    - Working together to meet community needs

7. Public health
    - Physical and mental health of community residents
    - Healthier families
    - More effective schooling
    - More productive work force

8. Physical environment
    - Healthy, safe and attractive neighborhoods
    - Ecological sensitivity

9. Neighborhood stability

Dependable housing
Long-term residency
Long-term community development

10. Human dignity
    - Self-respecting and community spirit
    - Gender equality
    - Respect for seniors and children
    - Social dignity regardless of physical, intellectual or psychological differences; regardless of national or ethnic background, color or creed

Retention of Housing Charges

As of July 31, 2003, the project had renovated 47 houses. Rents charged for these properties were in line with average rents for the three neighbourhoods in which the project was working. Average neighbourhood rents, and those charged by NEHP, are compared in Table 7.2. Figures for neighborhood rents are derived from the 1996 census. These are the most recent data available at the neighborhood level. The City of Winnipeg makes Statistics Canada census information available according to local neighbourhood boundaries (Winnipeg, 2003). Calculations from the 2001 census by neighbourhood will not be available until early in 2004 (Winnipeg, 2003).

Average rents for NEHP units for 2002 are shown in column 1 of Table 7.2. Average rents for each of the neighborhoods from the 1996 census are shown in column 6. Data on rents from 1996 have been adjusted for 2002 prices. This was done in two ways. First, rents were adjusted for price inflation using the Statistics Canada consumer price index for Manitoba (Statistics Canada, 2003). Rents adjusted in this manner are shown in column 2 of Table 7.2.

While adjustment for inflation is an appropriate approach for most prices, it may not be appropriate for rents. Manitoba has statutory rent controls and rents rise more slowly than general prices. The 1996 rents have been adjusted by the annual rent control factor in column 4 of the table. Rent increase guidelines are shown in Table 7.3.

Table 7.2 NEHP Rents Compared to Average Neighbourhood Rents (One Family Household Dwelling)

	NEHP Rents (2002 Prices) (1)	Neighbourhood rents CPI Adjusted (2002 Prices) (2)	Difference NEHP vs neighbourhood in % (3)	Neighbourhood rents Rent Control Adjusted (2002 Prices) (4)	Difference NEHP vs neighbourhood in % (5)	Unadjusted (1996 Prices) (6)
William Whyte	476	484	-1.7	462	3.0	429
Lord Selkirk Park	464	407	3.9	389	8.7	361
North Point Douglas	n/a	470		449		417
Average (all NEHP/ neighbourhood rents)	466	454	2.7	433	7.5	402

Source: City of Winnipeg (2003)

Table 7.3 Rent Control Guidelines for Manitoba

Year	Rent Increase Guideline	Change in CPI for Winnipeg in percent
1997	1.0%	2.2
1998	1.0%	2.4
1999	1.0%	3.7
2000	1.0%	2.8
2001	1.5%	3.4
2002	2.0%	1.8
2003	1.0%	n/a

Source: Manitoba Department of Housing (2003) and Statistics Canada (2003)

As shown in columns 3 and 5 of Table 7.2, NEHP rents are marginally higher than those for the neighbourhoods. While NEHP has attempted to ensure that its rents are affordable, it is unable to charge equivalent rents to the neighbourhood average. There are two reasons for this. First, the average size of units in NEHP is greater than the average for the neighborhood. NEHP emphasizes family housing, and across its portfolio unit size averages 3.2 bedrooms. Average size for the three neighborhoods is 2.1 bedrooms (Winnipeg, 2003). Quality is also a factor. NEHP housing is fully renovated. The census indicates that 580 units of the 4,010 in the neighbourhood (14.5) percent are in need of major repair (Winnipeg, 2003).

NEHP has a commitment to ongoing maintenance, and it includes a small premium for this its rents. NEHP's housing charges are designed to cover the cost of providing the units. This calculation is described below.

Housing Charges

NEHP rents are currently determined by a formula. The calculation establishes a base rent for the number of bedrooms. It then includes an additional amount for the square footage of living space on the main floor (excluding bedrooms), and a lesser amount for the square footage of the lot. Typical calculations are shown in Table 7.4

Table 7.4 NEHP Rent formula.

Base Rent:

2 Bedroom	$400.00
3 Bedroom	425.00
4 Bedroom	450.00
5 Bedroom	475.00
6 Bedroom	500.00

Additional Amounts:

- Per square foot of living space on the main floor excluding bedrooms	$0.09
- Per square foot of exterior lot	$0.0025

This formula it designed to cover NEHP's property costs as shown in Table 7.5

Table 7.5 NEHP costs covered by monthly rents.

Cost	**3 Bedroom** In Dollars	**5 Bedroom** In Dollars	**All NEHP units** In Percent
Typical Rent	$490.00	$540.00	
Mortgage Payment	$245.00	$270.00	50.0%
Property tax	95.00	110.00	19.5%
Maintenance	75.00	85.00	15.5%
Insurance	45.00	45.00	9.0%
Management	30.00	30.00	6.0%
TOTAL	$490.00	$540.00	100.0%

According to the 1996 census 2,365 of the 3,635 units in the three neighbourhoods, or 65.0 percent, were rental (Winnipeg, 2003). A local survey conducted by NEHP indicated that approximately 70 percent of rental housing in William Whyte was owned by absentee landlords (NEHP, 2000). This was consistent with the findings of older studies in this locality (CMHC, 1980; Westdal, 1986). This means that approximately 45 percent of housing charges on rental properties left the community as rent paid to absentee landlords.

NEHP is attempting to capture a portion of these resources for community use. NEHP rent structures vary depending on the stage at which the house was added to the program. (Early rents were determined by a formula different from those added later in the program. Rent controls prevent these rates from being standardized across all NEHP homes). As Table 7.5 indicates, on average, 78.5 percent of all NEHP rent charges are applied to mortgage payments, property tax, and insurance. The remaining 21.5 percent is devoted to management fees (6.0 percent) and a reserve fund for maintenance and replacement (15.5 percent). Management fees contribute to salaries for two local residents, one of whom is in training as a property manager, and the other who is the bookkeeper for the organization. Significant maintenance work is also carried out by a local resident.

For the 47 houses that were rented as of July 31, 2003, annual rent revenue was expected to be $257,864 (NEHP, 2003). Of this amount, $55,440 (21.5 percent) will be retained for management fees and maintenance costs which will contribute to employment for local individuals. Mortgage payments totaled $11,155 monthly, or $133,860 annually. A small but growing portion of these payments contributed to equity in the homes. Annual increases in equity are shown in Table 7.6.

Table 7.6 Cumulative Equity in NEHP Housing.

ACTUAL EQUITY				PROJECTED EQUITY			
Year	**Number of Houses**	**Equity Added**	**Cumulative Total**	**Year**	**Number of Houses**	**Equity Added**	**Cumulative Total**
1999	7	2,387	2,387	**2003**	46	30,146	94,844
2000	20	15,632	18,019	**2004**	46	32,375	127,219
2001	24	20,169	38,188	**2005**	46	34,784	162,003
2002	46	26,510	64,698	**2006**	46	37,371	199,374
				2007	45	40,150	239,524

Source: NEHP Audited Financial Statements. 1999 -2003.

Under for-profit absentee-owned rental housing, equity in properties generally accrues to the owners. Management and maintenance fees may also be paid to nonlocal employees. Under NEHP's lease-to-purchase plan, and its policies of local hiring, most of these resources are retained for the benefit of community members. Under NEHP's lease-to-purchase program, equity in housing will be transferred to low income tenants who will take ownership of the properties (see discussion below).

Community Assets

As of March 31, 2003, NEHP had attracted a total of $3.9 million in revenue and financing to the community. Of this amount $3.3 million was used for housing renovation. Government grants accounted for $1.98 million of these renovation resources, and $1.16 million was mortgage financing, while foundations provided $158,000. These data are summarized in Table 7.7

Table 7.7 Renovation Activities of NEHP Resources Attracted to the community

REVENUE and FINANCING	
Renovation:	
Mortgage Financing	$1,164,028
Grants (Government)	1,977,338
Grants (Foundations)	160,310
SUBTOTAL (Renovation)	3,302,351
Operating:	
Grants (Government)	273,990
Grants (Foundations)	153,691
Fees	154,039
SUBTOTAL (Operating)	581,720
Property:	
Rental Revenue	362,838
SUBTOTAL (Property)	362,838
TOTAL NEHP REVENUE	**$4,246,809**
EXPENSES	
Renovation:	
Wages & Benefits	$1,964,622
Property Acquisition	635,506
Material	528,378
Subtrades	320,161
SUBTOTAL (Renovation)	3,670,317
Operating:	
Salaries	330,862
Benefits	28,560
Administration	252,985
SUBTOTAL (Operating)	612,407
Property:	
Mortgage Payments	201,700
Property Taxes	57,382
Property Insurance	42,552
Property Maintenance	60,318
Other	3,999
SUBTOTAL (Property)	362,838
TOTAL NEHP EXPENSES	**$4,648,674**
SURPLUS/DEFICIT	**($401,865)**

NEHP has assembled $2.45 million in housing assets and holds additional property in vacant lots. All housing is eligible for purchase by local residents. NEHP has created local ownership of these resources in the sense that the organization is community controlled. Fifty percent of the membership of its Board are local residents and 50 percent are technical volunteers from the broader community. It will create individual ownership of many of these assets through its homeownership program. (The difference in the amounts invested in renovation ($3.3 million) and the value of the assets created ($2.45 million) is a function of the need to subsidize deteriorated housing in this locality. This will be discussed further below.)

Table 7.8 Assets Created by NEHP - 1999 -2003

	99-00	00-01	01-02	02-03	03-04 (as of July 31) (1st Quarter)	TOTAL
Renovated Housing						
In Progress					5	5
Completed	7	13	21	6		47
PORTFOLIO	7	20	41	47	52	52
New Construction						
Vacant Lots					9	9
Under Construction					10	10
PORTFOLIO					19	19
Housing Assets	248,504	632,586	1,383,914	183,466		**$2,448,470**
Mortgage Equity	2,387	15,632	20,169	26,510		**$64,698**

Emloyment Created

Of the $3.3 million spent on renovation work, approximately $1.03 million was paid for renovation labour (wages and benefits). The balance was spent on acquisition of properties ($635,506), on construction material ($528,378), on subtrades ($320,161), and on overhead ($221,650).

During the first three years of the project (1999 to 2002) 90 percent of NEHP's labour was hired locally (all crew members except the supervisor). The residents originally hired for renovation work were former social assistance recipients who had been specifically trained to work in the program.

In July, 2002 the project spun off a separate company to focus on employment creation. The company, was named Inner City Renovations, Inc. (ICR). It was a for-profit joint venture among four non-profit housing projects and an employment development initiative. The housing projects agreed to make available at least 50 percent of their renovation work as set aside contracts for the new company. ICR was expected to complete the work within standard budgets.

ICR defined its objectives as providing employees with:

- full-time year-round employment (unusual for the construction industry)
- better than average wages for the sector
- a health benefit plan
- on-the-job training and classroom instruction
- a higher than average supervisor-employee ratio
- services of an employee support professional
- two staff positions on its eight-member Board of Directors
- participatory management
- a commitment to worker ownership after two consecutive years of profitable operation (ICR, 2003, p.3)

NEHP made available 88 percent of its contracts (14) to ICR in the first 12 months of the new company's operations. NEHP reserved two of its contracts for a special crime prevention employment program which ran at the same time. (This will be discussed below).

As of May, 2003, ICR had 19 target employees. Five were original trainees who had come to the project through the NEHP training and employment program. The remainder were recruited directly by ICR (9) or through Manitoba Home Builders Association Level 1 Carpentry Program (3), Youth Builders (1) and the crime prevention program of NEHP (1).

Ten months into the ICR project, a formative study was conducted by Social Capital Partners (2003) to assess the degree to which the project was achieving its social objectives. This study provided a demographic profile of ICR target employees. Selected items from this study are presented in Table 7.8. ICR attempted to maintain a similar demographic profile throughout its program.

Table 7.8 Demographic Profile of ICR Employees

Total "Target Group" employees		19	
Gender	Male	17	89%
	Female	2	11%
Descent	Aboriginal	13	68%
	NonAboriginal	6	32%
Education	Some High School	9	47%
	Some Post-secondary	7	37%
	High School (or GED)	2	11%
	Bachelor's degree	1	5%
Prior Work	Unemployed	15	79%
	Self-employed	2	11%
	Employed part-time	1	5%
	Employed full-time	1	5%
Previous Source of Income	Income Assistance/EI	9	47%
	Employment	4	21%
	Occasional Contracts	2	10%
	Training Grant	1	5%
	Other	1	5%
Criminal Justice History	Convicted of a Crime	11	58%
	On Probation/Parole	2	11%
Lowest wage in ICR		$9.00 per hour	
Average wage in ICR		$12.75 per hour	

By June, 2003, ICR had revenues of $828,969 from renovation activities. An outline of ICR revenues and expenses is shown in Table 7.9. NEHP contracts contributed $302,512 to revenues. Other sources of revenue are shown in the table. ICR paid $359,516 in wages and $58,152 in benefits to the locally hired crew. ICR's average wage was $12.75 per hour, and its lowest hourly wage was $9.00. These rates were competitive with those in the industry.

Table 7.9 ICR Activities - August , 2002 to June 30, 2003

REVENUES	
North End Housing Project	302,512
Spence Neighbourhood Association	92,132
West Broadway Development Corp.	5,450
Commercial Renovations	310,064
Residential Renovations	8,148
Grant Revenue	46,607
Wage Subsidy Revenue	6,443
Other	98
TOTAL REVENUE	**$771,454**
EXPENSES	
Wages & Salaries	$359,516
Benefits	58,152
Material	260,556
Subtrades	157,056
Management Salaries	72,288
Administration	34,757
TOTAL EXPENSES	**$942,325**
NET INCOME/(LOSS)	**$-170,870**

ICR has made a positive start. Its goal is to employ 30 to 50 employees. The set-aside contracts from the housing projects have provided a relatively constant demand for ICR's work. The program has also benefited greatly by having fairly ready access to financing from two employment development initiatives, Social Capital Partners and Community Ownership Solutions.

Unfortunately, there have also been difficulties. ICR has had problems finding a manager who could balance the sometimes conflicting demands of training and profitable production. Employee absenteeism has been a problem, and productivity and skill levels need to be developed. These issues have meant that ICR has had difficulty staying within budgets on particular projects. Much of this is expected in the start-up phase of a socially and technically complex operation. Adding to these problems, however, have been obstacles faced by all four nonprofit housing projects in their renovation activities. Mortgage financing has been held up by the regulator of the credit union (the Credit Union Deposit Guarantee Corporation). The mortgage guarantor, CMHC, has also tied up mortgages. Both guarantors are anxious about their considerable exposure to the neighbourhood projects, and they want to see one hundred percent holdbacks until renovations are completed. The projects, however, have no source of operating capital other than mortgages and partial grants. Lines of credit have also reached their limits and the financial institution is anxious to curtail these as well.

The provincial government has responded by creating a loan guarantee. However, by August, 2003, after four months of discussion, the guarantees are still not finalized. ICR has had to respond to the slowdown in activity by laying off crew members. A key objective, year-round work for its employees, has therefore not been achieved. When renovation resumes it is anticipated that the employees will be rehired, but some will drift to other activities.

As of July, 2003, prior to the layoffs, ICR and NEHP were creating 34 staff years of employment for local neighborhood residents. Employment for local residents is shown in Table 7.10. Average earnings for these employees ranged from $19,760 for trainees in the crime prevention program, to $38,000 for the NEHP bookkeeper. Total actual earnings for all employees were $642,082.

Table 7.10 Employment Created 2003*.

	Staff Years (1)	Earnings Average (per employee) (2)	Earnings Total (Actual)** (3)	Earnings Total (Budget) (4)
Renovation	19	26,520	359,516	503,880
Property Manager	1	31,500	31,500	31,500
Bookkeeper	1	38,000	38,000	38,000
Maintenance	1	30,000	30,000	30,000
Trainers	2	34,866	69,732	69,732
Crime Prevention Participants	10	19,760	148,200	197,600

* Estimates are unavailable for earlier years - ICR figures are for August 2002 - June 2003
** As per NEHP and ICR accounts

Many of these positions were created over the fiscal year 2002-03. Column 3 of Table 7.10 shows "actual" earnings of these employees compared to "budget" earnings in column 4. This refers to the fact that two of the programs, ICR and the crime prevention program, grew to their current staff complements incrementally over the year. ICR, for example, began with five employees and grew to 19. The crime prevention program, (or Aboriginal Youth Housing Renovation program (AYR)), began with four trainees and grew to ten. "Actual" earnings refers to the total that was paid to employees over 12 months. "Budget" refers to the amount that would have been paid had all ten, or all 19 employees, been on payroll for 12 months. It is anticipated that budgeted employment levels will be maintained over the coming 12 months. Actual earnings for ICR renovation crews for the year were $359,516. Actuals for AYR were $148,200. Budgeted earnings for the two programs for 2004 are $503,888 and $197,600 respectively.

Crime Prevention Project

Early in 2001, NEHP was approached by some neighbourhood young people who were seeking assistance in finding employment. These youth had been involved in gang activity since their early teens. Some were now being released from federal penitentiary. They were in their late twenties and had young families. They expected to be under police surveillance, and to be reincarcerated if they became involved with their previous activities. With lengthy criminal records, little education, and unconventional appearances such as tattoos, these Aboriginal youth had few job prospects. They approached NEHP to ask if the project could help with their employment.

NEHP developed a crime prevention employment program which it called the Aboriginal Youth Housing Renovation Program (AYR). It hired two Aboriginal carpenters as trainers, and provided four vacant houses for use in renovation and training. NEHP also secured funding grants to subsidize the extra time that participants would take to complete a house.

After two years of activity, the program has been a qualified success. Some participants have been rearrested on old charges. Some have breached parole by consuming alcohol. Some have had to leave because of substance problems. But none has been arrested for an offense committed while participating in the program. Participants were paid $9.50 per hour. One of the trainees has gone on to more secure employment with ICR.

The project employed an average of eight participants over its second year. The project is seen, not only as employment development, but also as a crime prevention initiative.

Renovation Financing

To finance the renovation of properties, NEHP uses a combination of public grants, forgivable loans, and mortgage financing. The precise combination of public grants has changed over time, as new public programs have appeared, and others have been discontinued. NEHP has also had to adapt its grant structure to increasing costs of housing acquisition. As property values have risen, so also have the costs of renewal. (As one member of the NEHP Board put it "we are victims of our own success").

A typical renovation project (one house) for NEHP is shown in Table 7.11. This example is based on average costs for 22 units that were renovated during the middle phase of the NEHP's program. This sample was chosen because it reflects the most typical funding structure for NEHP's 47 properties. (In mid-2003 the grant structure was changed and the combination of an $18,000 Residential Rehabilitations Assistance Plan (RRAP) forgivable loan, plus a $10,000 Affordable Housing Initiative (AHI) grant [$28,000] was replaced by a single AHI grant of $31,000).

These figures reflect typical costs. There is a wide variation in these costs, however, among the 22 projects. Acquisitions, for example, in this sample ranged from $0 to $30,000. Renovation costs ranged from $31,000 to $79,927. Properties acquired at no cost were donated either by the City of Winnipeg, or by private owners seeking a tax receipt. These properties tended to be seriously deteriorated. City properties had usually been seized for tax arrears, or had been deemed unsanitary. Private owners donated properties which could no longer be profitably rented. While acquisition costs on donated properties were nil, renovation costs were correspondingly high.

Table 7.11 NEHP Financing and Renovation Costs- August , 2002 to July 31, 2003

FINANCING	
Mortgage	31,350
RRAP - Residential Rehabilitation Assistance Program)	18,000
NHA - (Neighborhood Housing Assistance)	10,000
WHHI - (Winnipeg Housing and Homelessness Initiative)	10,000
AHI - (Affordable Housing Initiative)	10,000
TOTAL	**79,350**
COSTS	
Acquisition	$14,000
Renovation	51,140
Overhead	10,300
Contingency	1,900
Reserve	1,700
TOTAL	**79,040**

The very process of renovation was unpredictable. Many unanticipated problems presented themselves when interior walls were removed. Most of the properties were 80 to 100 years old. Many were insulated with sawdust, and their foundations were constructed from fieldstones. Program budgets included a small contingency fund, but this was often not sufficient to cover the problems encountered. The funders also allowed a small reserve fund in case a component of a house such as a furnace, a roof, or a water heater, which was thought to be in good condition at the time of the renovation, later proved to be defective. It was a politically sensitive question how much in public resources should be provided for a reserve fund. The example shown in Table 7.11 is typical, but represents considerable variation among specific projects.

Financing for the project is shown in the top section of Table 7.11. The primary source of resources is mortgage financing from a local credit union. Mortgage funds are made available at 75 percent of the assessed value of the fully renovated home (occasionally they are financed at 85 percent, but the advantages and disadvantages of this are debated within NEHP). The renovation work that NEHP will perform is taken as a down payment on the mortgage. (As discussed earlier, this approach has now created problems with CMHC and the Credit Union Deposit Guarantee Corporation).

While the mortgage is a key source of financing, the project is by no means viable on borrowed funds alone. It requires significant public grants. A typical mortgage of $31,350 is shown in Table 7.11. It is equivalent to 75 percent of the end value of the project, or $41,800. A typical project cost, however, as Table 7.11 shows, is $79,040. Mortgage funds are insufficient even to cover the cost of renovation. The cost of acquisition adds a further $14,000, and costs of overhead are $10,300, while contingency and reserve funds add a further $1,900 and $1,700 respectively. The total cost of the project at $79,350 exceeds the end value of $41,800 by 89.8 percent.

Partly this is a symptom of working in a deteriorated market. Assessors indicate that were these same structures located in a different neighborhood, their end values would have been significantly greater. A second part of the problem is that investment in renovation is seldom recoverable in the resale of a property. The subsidies reflect what is needed to restore neighborhoods to habitable condition.

As Table 7.11 shows, a typical subsidy is $48,000 ($79,350 minus $31,350). This calculation uses the value of the original mortgage to determined the subsidy rather than the end of value (mortgage plus downpayment). This is because when tenants eventually purchase the property, the price of the transaction is the mortgage amount only. Both the down payment and the added renovation costs are part of the subsidy. This will be described in greater detail below.

Lease-to-Purchase

NEHP makes properties available to low income applicants on a lease-to-purchase basis. To be eligible, a family must have an income below the Statistics Canada Low Income Cut Off (LICO). Estimates of LICOs for 2002 are shown in Table 7.12. This income-based eligibility criterion is set out in the bylaws of NEHP. It is also a requirement for NEHP to receive forgivable loans under the Canada Mortgage Housing Corporation's (CMHC) Residential Rehabilitation Assistance Program (RRAP) (CMHC, 2003; Manitoba, 2003).

Table 7.12 National Council of Welfare Estimates of Low Income Cutoffs 2002

Family size	for Cities of 500,000+
1	19,256
2	24,069
3	29,934
4	36,235
5	40,505
6	44,775
7+	49,043

Source: National Council Welfare, 2003

NEHP's charitable tax status also requires that beneficiaries of the program be defined as low income. The Canada Customs and Revenue Agency (CCRA), in granting status, was greatly concerned that purchasers would make windfall profits on the resale of homes that were subsidized by tax-deductible donations. Significant care was needed to design a lease-to-purchase formula that would ensure that early resale of properties did not occur, and that renovation subsidies were retained. Eligibility for provincial grants has a similar requirement, that purchasers of housing be low income. The definition used by the province is that the family be at or below the second quintile of income levels for Manitoba (Manitoba, 2003).

Not only must an applicant family be low income, they must express a commitment to homeownership, to long-term residence in the neighborhood, and to the general goals of the NEHP in terms of community betterment. Residents have the opportunity to serve on the Board of Directors of NEHP, to serve on Board committees, and to take part in community building activities. The Board of NEHP has 16 members. Eight positions are reserved for community members, and eight are for members appointed in a technical capacity. Four of the community positions are allocated to residents of NEHP properties, and four were allocated to other members of the local community. This arrangement ensures that organizational resources are under community control.

Option to Purchase

Upon rental of a property, a resident is given a standard lease. They also receive a document that provides an option to purchase the property. This option agreement specifies a price at which the resident may purchase the property, a time when the option may be exercised, and certain conditions that the purchaser must meet to be eligible to exercise the option. The conditions are that the tenant must have five consecutive years of residence in an NEHP property, and that they must have complied with a Home Maintenance Agreement outlining expectations for proper care of the property.

Terms for Property Purchase

The financial terms of the option are outlined in Table 7.13. The purchase price of the home is the amount owing on the first NEHP mortgage on the property. If the tenant exercises this option, they assume this existing mortgage. This avoids a down payment. The public grant portion of the cost of renovations, the down payment, and any equity

Table 7.13. NEHP Home Ownership Model - "First" and "Second" Mortgages

Original Cost of the Project				Cost to Participant Financial Position of Resident										
				Year 0	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Mortgage	31,350		**1st Mortgage**	31,350										
			Equity	2,606	3,254	3,952	4,703	5,513	6,385	7,325	8,337	9,427	10,602	11,867
Subtotal		31,350	**Balance Owing**	28,744	28,096	27,398	26,647	25,837	24,965	24,025	23,013	21,923	20,748	19,483
RRAP	18,000													
NHA	10,000		**2nd Mortgage**	48,000										
WHHI	10,000													
AHI	10,000		**Amount Forgiven**		-4,800	-4,800	-4,800	-4,800	-4,800	-4,800	-4,800	-4,800	-4,800	-4,800
Subtotal		48,000	**Balance Owing**	48,000	43,200	38,400	33,600	28,800	24,000	19,200	14,400	9,600	4,800	0
TOTAL		79,350												
			Monthly Payment	231	231	231	231	231	231	231	231	231	231	231

accumulated, transfer to the purchaser as a subsidy. However, the purchaser is not entitled to this subsidy immediately.

Instead the purchaser provides a promissory note in which they agree to repay this amount to NEHP. This document is referred to as a "silent" second mortgage. It is silent in the sense that although it is a legal debt, no payments must be made against it. It is held as a guarantee for NEHP that the individual will not resell the property prematurely. This debt is forgiven in ten equal installments over a ten-year period.

If a homeowner must sell their property prior to the end of ten years for some compelling reason, they may apply to the Board of the North End Housing Project. If the Board accepts the reasons for the sale, it may forgive all or part of this debt.

NEHP also holds a right of first refusal to repurchase the property. This runs in perpetuity. In such a case NEHP would repurchase the property at the value of the first mortgage. The owner would then retain any equity accumulated. The home would be made available to another low income applicant.

It is critical to the integrity of the NEHP program to retain the subsidies in homes for at least ten years and to ensure that houses continue to be available to low income families. It is critical to funders and to CCRA that purchasers do not make a windfall gains on the arrangement. If the resident remains in the home for ten years the second mortgage is forgiven. They then have title to the property, and they owe only the balance of the first mortgage.

The two mechanisms, the right of first refusal, and the silent second mortgage, allow NEHP to achieve a number of program objectives which include the following:

1) to facilitate homeownership for low income residents at an affordable rate.
2) to ensure long-term residence of homeowners in the community.
3) to ensure that highly subsidized renovated properties remain available for purchase by other low income residents.
4) to ensure that participants in the program do not realize windfall gains by reselling subsidized homes at market rates.
5) to make homeownership available to residents who are on Employment and Income Assistance. No down payment is required to assume the mortgage. A resident may take ownership of the property even if they possess no assets. There are no regulations in the Employment and Income Assistance Act that prevent this from occurring (Manitoba, 2003a), and EIA regulations allow for shelter allowances to be used toward mortgage payments. A home in which the participant resides is an exempt asset with regard to EIA liquidation rules. Manitoba Department of Family Services and Housing will, however, place a lien on the equity portion of mortgage payments. NEHP is advocating against this practice. It is contradictory public policy to subsidize housing renovation and encourage homeownership, and then to take back the subsidies from those who have been assisted.

   The only real impediment to ownership by a person on Income Assistance may be that the financial institution, or the guarantor of the mortgage, may deem the recipient's income-to-debt payment ratio too low, and refuse to qualify the mortgage. NEHP intends to challenge such a decision. There is little evidence that low income mortgage holders have higher mortgage default rates than more affluent borrowers. Mortgage payments tend to be less than the rents that such applicants are currently paying (Canadian Community Reinvestment Coalition, 1999). If necessary, NEHP will seek an alternative guarantor for the mortgages such as the Jubilee Fund, a socially conscious lending facility.

CHAPTER 8

Social Cost Benefit Analysis

North End Housing Project received grants from three levels of government for housing renovation. These grants were intended primarily as subsidies for improved neighbourhood shelter. However, NEHP attempted to maximize the benefits from these subsidies by hiring structurally unemployed persons from the neighborhoods in which the project was working. This employment focus of the program meant that subsidies for housing might also be considered as subsidies for employment creation. In fact the $1.98 million in public grants received by NEHP over the four years of the project was roughly equivalent to the $1.96 million that NEHP paid in renovation wages and benefits. The balance of its expenses (for acquisitions, material, and subtrades) were covered by mortgages and foundation grants.

When public funds are utilized for any purpose it is important to assess the impact of their use. A common technique for analysing the benefits and costs of local development projects is referred to as social Cost Benefit Analysis (CBA). This methodology is discussed by Davis (1993) Gittinger (1982) and Schofield (1987).

The following is a CBA of the employment creation activities of NEHP and its renovation contractor Inner City Renovations (ICR). This particular analysis has been adapted from a similar study prepared by Culpeper (1975) in which he assessed a housing prefabrication plant in Churchill, Manitoba. This analysis will first use a standard CBA to outline the benefits and costs of the NEHP renovation work. It will then make an estimate of the net impact of NEHP/ICR employment creation activity on government finances.

Social Cost Benefit Analysis

Social cost benefit analysis begins with an analysis of the financial flows of a project on a strictly commercial basis. The approach then makes adjustments to the financial calculations by estimating the "social" or "economic" costs and benefits of the program (Gittinger, 1982). The most common adjustments for social costs and benefits are for capital and labour. Often the most important difference between market and social valuations are labour costs in a situation, or in a region, of widespread unemployment. Culpeper states that

> The difference (if any) between social and market net benefits indicates the basis for a subsidy, since the social (or any) benefits would likely not be realized in the absence of such a subsidy.

Assumptions and Sources

The data for this analysis came from two sources. The first was a statement from NEHP's internal accounts showing revenue and expenditure for the period from April 1, 1999 to March 31, 2003. This period essentially spans the life of the NEHP project. The revenues and expenditures from this statement are summarized in Table 8.1.

Table 8.1. NEHP Renovation Account - Revenues and Expenses - April 1999 - March, 2003

REVENUES	in Dollars	in Percent
Government Grants	$1,977,338	59.9
Mortgage Financing	1,164,028	35.4
Foundation Grants	160,310	4.5
TOTAL	3,301,676	100.0
EXPENSES:		
Wages & Benefits	$1,964,622	
Property Acquisition	635,506	
Material	528,378	
Subtrades	320,161	
TOTAL	3,448,667	

This source was used to determine the relative percentage of NEHP revenues derived from government grants. This percentage, in turn, was used to calculate the government grant portion of the work that was contracted to ICR. (NEHP no longer carries out any of its own renovation work. Instead it contracts this role to another community organization whose focus is training and employment creation. NEHP has worked with various groups in this way, but for the 11 months under consideration in this analysis, the organization was ICR). As Table 8.1 shows, 59.9 percent of NEHP's revenue derived from government grants. The balance was raised through mortgages (35.4 percent) and from foundation grants (4.5 percent).

The second source for the study was a monthly cash flow statement presented to the Board of Directors of ICR in July, 2003. This cash flow statement is summarized in Table 8.2. It was prepared when ICR had been in operation for only 11 months. Because the project was in its start-up phase, its workforce had grown from 12 to 23 employees over the period. Nineteen of these 23 workers were defined as "target" employees. They were inner city residents with limited skills who had histories of significant unemployment.

Table 8.2 ICR Activities - August , 2002 to June 30, 2003

REVENUES	
North End Housing Project	$302,512
Spence Neighbourhood Association	92,132
West Broadway Development Corp.	5,450
Commercial Renovations	310,064
Residential Renovations	8,148
Grant Revenue	46,607
Wage Subsidy Revenue	6,443
Other	98
TOTAL REVENUE	**771,454**
EXPENSES	
Wages & Salaries	359,516
Benefits	58,152
Material	260,556
Subtrades	157,056
Management Salaries	72,288
Administration	34,757
TOTAL EXPENSES	**942,325**
NET INCOME/(LOSS)	**-$170,870**

Since the number of workers in ICR grew continually over the period, the figures from the 11 months covered by the statement in Table 8.2 were not suitable for CBA. (CBA uses one figure for the size of the workforce). Instead, the figures from the end of the period, April to June, 2003, were used for this analysis. This was a period when the ICR workforce had a steady complement of 23 employees. It was also a point in time (June, 2003) when the organization conducted an extensive study of the demographic backgrounds of its workers. The latter information was necessary for the analysis which follows.

Table 8.3 shows ICR's revenues and expenses from April to June, 2003 (columns 1, 2, and 3). A total for these three months is then shown in column 4. The totals from column 4 are then prorated for 12 months in column 5. These prorated annual figures will be used to calculate NEHP's portion of ICR work for the year.

Column 6 indicates the percentage of ICR revenues that were derived from each source. It indicates that 25.7 percent of ICR renovation work was contracted from NEHP. Since NEHP accounted for 25.7 percent of revenues, it was assumed that 25.7 percent of ICR's expenses could also be attributed to NEHP activity. This NEHP portion of ICR's activities is shown in column 7. This estimate of NEHP activity was then used to create a five-year cash flow of NEHP renovation work.

Column 5 projects an annual loss for ICR of -$418,428 for all its activity. Column 6 projects a loss of -$107,733 for the NEHP portion of its work. The managers of ICR argued that this was an unusual situation brought on by a very complex and challenging commercial renovation on which ICR underbid. ICR lost over $200,000 on this project alone. By contrast, many of its housing renovations were completed on budget. Apart from the $200,000, the remaining loss was seen as a necessary part of the start-up phase of the ICR program in which worker productivity was developing. Its shareholders expected that the company would reach a break-even position (or become profitable) over the 12 months of 2004. It is important to note that ICR's shortfall was not covered by a public subsidy. Instead its losses for 2003 were made up by equity contributions from ICR's shareholders (Community Ownership Solutions and Social Capital Partners).

In Table 8.4, the NEHP portion of ICR's activity is shown as a discounted cash flow over five years. The discount rate is 5.5 percent, or one percent above the prime rate for September, 2003. This analysis accepts ICR's current losses as a given. Since these

Table 8.3. ICR Quarterly Revenue and Expenses (Prorated)

	April (1)	May (2)	June (3)	Quarter Total (4)	Prorated for 12 Months (5)	Revenue Sources in Percent (6)	NEHP Portion of Activities (25.7%) (7)
ICR Cashflow							
REVENUES							
North End Housing Project	36,947	18,159	30,945	86,051	344,204	25.7%	344,204
Spence Neighbourhood Association	5,139	7,228	18,353	30,720	122,880	9.2%	
West Broadway Development Corp.							
Commercial Renovations	86,966	77,624	52,854	217,444	869,776	65.1%	
Residential Renovations							
Grant Revenue				0	0	0.0%	
Wage Subsidy Revenue				0	0	0.0%	
Other							
TOTAL	**129,052**	**103,011**	**102,152**	**334,215**	**1,336,860**	100.0%	
EXPENSES							
Material	35,607	57,159	69,944	162,710	650,840		167,573
Subtrades	38,178	23,849	21,346	83,373	333,492		85,865
Supv. Salaries	9,666	12,645	12,418	34,729	138,916		35,767
Supv. Benefits	1,755	1,688	1,716	5,159	20,636		5,313
Wages	29,320	38,357	37,667	105,344	421,376		108,493
Benefits	5,325	5,120	5,204	15,649	62,596		16,117
Management Salaries	11,788	2,692	3,792	18,272	73,088		18,818
Administration	3,449	4,744	5,393	13,586	54,344		13,992
TOTAL	**135,088**	**146,254**	**157,480**	**438,822**	**1,755,288**		**451,937**
NET INCOME/(LOSS)	**-6,036**	**-43,243**	**-55,328**	**-104,607**	**-418,428**		**-107,733**

losses were driven by start-up costs and a one-time commercial loss, this can be considered a worst-case scenario.

Table 8.4. ICR Discounted Cash Flow (Commercial)

when we went on to the

REVENUES					
Government Grants	206,140	206,140	206,140	206,140	206,140
Mortgage Financing.	121,352	121,352	121,352	121,352	121,352
Foundation Grants	16,712	16,712	16,712	16,712	16,712
TOTAL	344,204	344,204	344,204	344,204	344,204
EXPENSES:					
Material	167,573	167,573	167,573	167,573	167,573
Subtrades	85,865	85,865	85,865	85,865	85,865
Supv. Wages	35,767	35,767	35,767	35,767	35,767
Supv. Benefits	5,313	5,313	5,313	5,313	5,313
Wages	108,493	108,493	108,493	108,493	108,493
Benefits	16,117	16,117	16,117	16,117	16,117
Management Salaries	18,818	18,818	18,818	18,818	18,818
Administration	13,992	13,992	13,992	13,992	13,992
TOTAL	451,937	451,937	451,937	451,937	451,937
NET INCOME/(LOSS)	-107,733	-107,733	-107,733	-107,733	-107,733
Discounted Flow	-107,733	-102,118	-96,794	-91,748	-86,965
Present Value -485,358					

Social Cost-Benefit and Discounted Cash Flow Analysis

Social CBA is intended to show whether the investment of public funds in NEHP housing renovation (and that of other housing programs) is justifiable in terms of the social benefits they produce. As Culpeper (1975) indicates,

> social and commercial profitability will diverge if market prices of inputs (market costs) and/or market prices of outputs (market benefits) do not adequately reflect social valuations of these costs and benefits.

The most common, and in many cases the most important divergence between market and social values, is in the employment of otherwise long-term unemployed labour. The standard practice in calculating the social cost of inputs is to determine their opportunity cost (the value of the input in its next best alternative use) (Davis, 1993; Schofield, 1987). In a situation in which a number of workers have been chronically unemployed, the product forgone by society in hiring them for the project is virtually nil.

As Davis (1993:103) states

> Unemployed resources are resources that are in excess supply at existing market prices and are thus not currently utilized in commodity production. The opportunity costs of the use of such resources in a particular project are nil, since no production is forgone by their use. In other words, the appropriate valuation for each of these resources is a shadow price of zero rather than the market price.

As Gittinger (1982: 258-259) says

> the price of labor in a perfectly competitive market, like other prices in that impossible place, would be determined by its marginal value product. That is the wage would be equal to the value of the additional product that one additional labourer could produce
>
> ... Because the marginal value product of labour is also the opportunity cost of labour in the economic accounts, we make another statement: if you take a labourer away from a farm community where he is producing very little or nothing and put him to work productively in an agricultural project that produces something of value, we did not have to forego very much to use this labour to realize new production. This being the case, we can consider the cost of the labour to be very low - some economists would say even zero.

Unemployment Status

A demographic study of ICR workers indicated that in the second quarter of 2003 there were 19 target employees. The key characteristics of these workers are shown in Table 8.5. Fifteen of the 19 workers (79 percent) were unemployed prior to being hired by ICR. Nine were on Income Assistance or Employment Insurance, one was receiving an employment training grant, and one was living on the remainder of earnings from a small contract. Four refused to indicate whether they had been on income assistance or not. (They may have been embarrassed by the stigma, they may have been making an income illegally, or they may have had other reasons for not wishing to discuss the issue). Three employees indicated that they had derived some additional income from child support payments.

For the purposes of this analysis, only the 15 workers who indicated they were unemployed when hired by ICR were counted as long-term unemployed. The assumption that they were unemployed for long periods was borne out by other data, including the number who were receiving transfer payments, their prior income levels, their sources of income, and other qualitative information contained in the ICR demographic profile.

Table 8.5 Demographic Profile of ICR Employees

Total "Target Group" employees		19	
Gender	Male	17	89%
	Female	2	11%
Descent	Aboriginal	13	68%
	NonAboriginal	6	32%
Education	Some High School	9	47%
	Some Post-secondary	7	37%
	High School (or GED)	2	11%
	Bachelor's degree	1	5%
Prior Work	Unemployed	15	79%
	Self-employed	2	11%
	Employed part-time	1	5%
	Employed full-time	1	5%
Previous Source of Income	Income Assistance/EI	9	47%
	Child Support/ or No Response	4	21%
	Employment	4	16%
	Small Contract	1	5%
	Training Grant	1	5%
Criminal Justice History	Convicted of a Crime	11	58%
	On Probation/Parole	2	11%
Lowest wage in ICR		$9.00 per hour	
Average wage in ICR		$12.75 per hour	

Adjusted Cash Flow

In Table 8.6 the market costs in ICR's projected cash flow are adjusted to reflect social costs. This is done by reducing to zero all wage costs for structurally unemployed workers in ICR. Since the number of such workers is estimated at 15 (or 79 percent of target employees), the nonsupervisory wages and fringe benefits are reduced by 79 percent. The cost of material is reduced by 14 percent to reflect the fact that sales taxes are not a cost to society, but rather are a transfer among its members (Davis, 1993; Gittinger, 1982). As shown in Table 8.5, this produces a discounted cash flow that is positive, in contrast to the commercial cash flow in Table 8.3 which was negative.

Table 8.6. ICR Discounted Cash Flow (Social)

REVENUES					
Government Subsidy	206,140	206,140	206,140	206,140	206,140
Mortgage Financing.	121,352	121,352	121,352	121,352	121,352
Foundation Grants	16,712	16,712	16,712	16,712	16,712
TOTAL	344,204	344,204	344,204	344,204	344,204
EXPENSES:					
Material	144,113	144,113	144,113	144,113	144,113
Subtrades	85,865	85,865	85,865	85,865	85,865
Supv. Wages	35,767	35,767	35,767	35,767	35,767
Supv. Benefits	5,313	5,313	5,313	5,313	5,313
Wages	22,784	22,784	22,784	22,784	22,784
Benefits	3,385	3,385	3,385	3,385	3,385
Management Salaries	18,818	18,818	18,818	18,818	18,818
Administration	13,992	13,992	13,992	13,992	13,992
TOTAL	330,036	330,036	330,036	330,036	330,036
NET INCOME/(LOSS)	14,168	14,168	14,168	14,168	14,168
Discounted Flow	14,168	13,429	12,729	12,066	11,437
Present Value	63,830				

The cash flow shown in Table 8.6 provides a significant justification for a housing subsidy. It does so only in terms of employment creation. These benefits emerge from the program quite apart from any benefits of improved housing. This positive cash flow occurs because employment of unskilled and semiskilled workers represents 27.6 percent of ICR's expenses.

Impact on Government Revenues

The objective of ICR was to become commercially viable and profitable over the 12 months of its second year of operation (August, 2003 to July, 2004). It is possible, however, that the company may not achieve this desired productivity level. The program may continue to show a commercial loss.

A government subsidy to support ICR's employment creation activities may well be justified. A continuing subsidy, however, is usually viewed as burdensome on government finances. As this section will show, however, the net effect of a subsidy on government finances is significantly less than its nominal cost may suggest.

Continuing to employ ICR target workers will generate new revenues for government in the form of new income taxes and new sales taxes. It will generate savings for government in terms of transfer payments that no longer need to be paid. A savings of expenditure has the same effect on government finances as new revenue.

The net impact on government finances of subsidizing the earnings of ICR workers is shown in Table 8.10. This table was developed on the basis of the following assumptions:

1. Of the total of 19 target workers, 15 (or 79 percent) were unemployed when hired by ICR.
2. NEHP accounted for 25.7 percent of ICR revenues and expenses including labour. NEHP therefore provided employment for:

    4.9 target employees (.257 x 19)
    3.9 previously unemployed workers (.257 x 15)
    3.1 individuals who had been receiving transfer payments (.257 x 12)

3. The total annual ICR revenue from NEHP contracts was $344,204. Of this amount, $206,140 was derived from government grants. This is shown below:

Sources of NEHP funds	Amount	Percentage of total
Government grants	$206,140	59.9%
Mortgages	121,351	35.3%
Foundations	16,713	4.9%
TOTAL	344,204	100.0%

4. Income tax was calculated at the lowest marginal federal and provincial tax rates less nonrefundable tax credits, as follows:

Average wage ($12.75/hr * 40hrs * 52wks) = $26,520

Federal tax (16% of annual income less basic personal amount)
(26,520-7,634)*0.16 = $3,021

Provincial tax (10.9% of annual income less basic personal amount)
(26,520-7,634)*0.109 = $2,059

5. Employment Insurance contributions by employees and employers were calculated as new revenues for government for the 15 previously unemployed ICR workers. EI contribution rates for 2002 (the year of the statements) were:

$2.20 per $100 of earnings for employees
$3.08 per $100 of earnings for employers

New revenues per employee from EI contributions were:

Employee contributions	(2.20*265.2)	=	583
Employer contributions	(3.08*265.2)	=	817
TOTAL			1,400

Total contributions for 15 employees were (1,400*15) = 21,000

6. GST/PST of 14 percent was generated on additional disposable income of workers. These increases in disposable income were estimated as follows:

gross wages - federal taxes
- provincial taxes
- average welfare payments for an ICR employee

or:

$26,520	gross wages
-3,022	federal taxes
-1,960	provincial taxes
-14,858	average welfare payments for an ICR employee
6,680	additional disposable income per employee

No allowance was made in this calculation for personal savings since families were unlikely to have significant surplus funds for this purpose.

7. GST and PST on material were included only in the calculation of net revenues from the housing subsidy. Had the housing subsidy not been made available, purchases of material would likely not have occurred. Since the housing subsidy is taken as a given in the calculation of the employment creation subsidy, the GST/PST on purchases of material was not included as new revenue in this subsidy. These purchases would have occurred regardless of which contractor carried out the renovations.

8. Of the 15 previously unemployed workers, 10 indicated definitively that they were receiving government transfer payments prior to being employed by ICR. These transfers were as follows:

Income Assistance/Employment Insurance	9
Training grant	1

Four employees declined to say whether they were on Assistance or not. For the purposes of this study, it was assumed that two of these employees were receiving assistance and two were not. Therefore, the total receiving transfer payments were:

Income Assistance/Employment Insurance	9
Training grant	1
Assumed to be receiving Income Assistance	2
TOTAL	12

Family configurations for ICR workers were estimated based on the demographic profiles of the employees.

Income Assistance incomes for Manitoba were taken from the National Council of Welfare (NCW) estimates for 2003 (NCW, 2003) . The NCW provides these estimates on the basis of four typical family configurations. Of these, three applied to ICR workers as shown below:

Configuration	**ICR Families**	**Income per Family**	**Incomes of all ICR families**
Single employable	2	5,562	11,124
Single parent, 1 child	2	12,799	25,598
Couple, 2 children	7	18,103	126,721

9. The amount of the training grant was estimated as an Employment Insurance benefit for an ICR wage. The EI benefit rate is 55 percent. The average wage in ICR is $26,520. This provides a benefit of:

(26,520*.55) = 14,586

10. These assumptions are relatively conservative. It is likely, for example, that single parent families had more than one child, and that a number of two-parent families had more than two children.

This calculation uses the ICR average wage for all employees. Some employees earned higher than the average wage. For these workers there would be savings to the federal government of the Canada Child Tax Benefit over the amounts they had received on income assistance.

ICR losses in Column 2 were also probably over estimated. If a subsidy were required for ICR it would likely be much smaller than the amount assumed here (because of the one time commercial loss and startup costs) but they benefits to government in the revenues and transfer payments savings would be the same.

New Revenues

Based on the above assumptions it is possible to calculate the net effect on government finances of paying subsidies for housing renovation and for employment creation. Table 8.7 provides an estimate of new revenues from taxes paid by the 15 employees who previously had been unemployed. These new revenues are shown below.

Table 8.7. New Revenues from Employment Creation.

	Per Individual	**All Previously Unemployed** (15)	**Total Material** ($650,840)	**NEHP Previously Unemployed** (3.86)	**NEHP Material** ($167,573)
Federal Taxes	3,021	45,315		11,661	
Provincial Taxes	2,059	30,885		7,948	
EI Contributions	1,400	21,000		5,404	
GST (new disposable income)	468	7,014		1,805	
PST (new disposable income)	468	7,014		1,805	
GST (material)			45,559		11,709
PST (material)			45,559		11,709
TOTAL NEW REVENUE	**7,415**	**111,228**	**91,118**	**28,623**	**23,417**

Note: Some calculations may appear inaccurate due to rounding of factors.

ICR generated $111,228 in new income taxes on new employment. The program generated $91,118 in GST and PST on the material purchased for construction. NEHP generated a proportionately smaller amount of new revenues at $28,623 plus $23,417, for a total revenue gain of $52,040.

Transfer Payment Savings

An estimated twelve ICR employees were receiving transfer payments prior to beginning work with ICR. Transfer payments savings were achieved for government by employing these individuals. These savings are calculated in Table 8.8.

Table 8.8 Transfer Payments Saved

Family Configuration or Type of Transfer	**Recipients**	**Annual Welfare Income** (Per Recipient)	**Annual Welfare Income** (All ICR) (Recipients)	**Annual Welfare Income** (All NEHP) (Recipients) (ICR * 25.7%)
General Assistance	2	5,562	11,123	2,859
Single Parent, 1 Child	2	12,595	25,595	6,579
Couple, 2 Children	7	18,103	126,721	32,567
Training Grant (EI rate)	1	14,586	14,586	3,744
TOTAL	**12**		**178,011**	**45,749**

Table 8.8 indicates that $178,011 would be saved in transfers to all ICR employees, while $45,749 would be saved just for those workers whose employment was generated by NEHP activity.

Net Cost of Subsidies for Housing and Employment Creation

The total net effect on government finances is calculated in Table 8.10. This table shows two calculations. In column 1, the net effect of the housing subsidy on government finances is calculated. A subsidy of $206,140 generates new revenues valued at $52,040 and creates savings in transfer payments of $45,749. The real cost to government of the subsidy is therefore only $108,351 or 53 percent of its nominal cost of $206,140. (These savings are realized differentially by federal and provincial governments. The federal government will save on Employment Insurance costs, while the provincial government will save on Income Assistance. Since the subsidy for housing is provided jointly by federal and provincial governments, the savings to both levels are combined in this calculation). Additional revenues can be expected to accrue to the city of Winnipeg in new property taxes. These were not calculated because at the time the study reassessment had not yet occurred.

Table 8.10. Net Effect on Government Finances

	Housing (1)	**Employment** (worst case) (2)	**Employment** (moderate case) (3)
Total Subsidy	-206,140	-107,734	-53,734
New Revenues			
Federal Income tax	11,661	11,661	11,661
Provincial Income Tax	7,948	7,948	7,948
EI Contributions	5,404	5,404	5,404
GST/PST on Disposable Income	3,610	3,610	3,610
GST/PST on material	23,417		
SUBTOTAL	52,040	28,623	28,623
Savings in Tranfers			
Welfare Savings	42,005	42,005	42,005
EI Training Savings	3,744	3,744	3,744
SUBTOTAL	45,749	45,749	45,749
TOTAL Savings/New Revenue	97,789	74,372	74,372
Net Subsidy in Dollars	-108,351	-33,362	20,638
Net Subsidy in Percent	-53%	-31%	33%

Column 2 shows the net effect of the employment creation subsidy on government finances. A subsidy of $107,734 for NEHP work generated new revenues valued at $28,623. It created savings in government transfer payments of $45,749. The real cost of the subsidy to government is therefore only $33,362 or 31 percent of the original amount of $107,734.

As stated earlier, the losses covered by this subsidy were a worst-case scenario. Without the onetime commercial loss, for example, the need for a subsidy would have been half as great, or $53,867 vs. $107,734. If ICR workers continued to work at lower levels of productivity, and a financial support from government was necessary, then such as subsidy would create a positive contribution to the public treasury. Since the subsidy would now be only $53,867, but the new revenues and savings would continue to be $74,372, the net benefit for government would be $20,505. This calculation is shown in Column 3.

It is evident from this analysis that the real cost of subsidies to government is far less than their nominal cost would suggest. The social outcomes of these investments are not fully accounted for here. Other social benefits from the subsidies would reduce their cost even further. Such benefits might include savings in crime reduction through employment creation, or savings in health care costs through the health benefits of improved housing. Eleven ICR employees had histories of criminal offenses. Two were on parole at the time of the study. Evaluations in the USA have found that for every $1 invested in employment creation for ex offenders there were $1.45 in savings from crime reduction (U.S. Department of Labor, 1995).

Dunn (2000a), Schwartz (2000), and Alexander (2000) have shown that improved housing can have significant positive impacts on the health and well-being of residents. The pathways for these beneficial effects include not only the improved condition of housing structures, but also by improving the relative standing of the participant in the social gradient of health. The latter benefit is potentially much larger than those associated simply with improved physical structures. This social gradient has been observed in virtually all industrialized countries (Dunn, 2000; Evans, 1994; Mustard and Frank, 1994).

Dunn (2000b) conducted a multiple regression study involving 650 respondents living in 12 neighborhoods in Vancouver. He found improved health outcomes associated with better quality housing. In summarizing his findings, he states

> These results show that the meaning people invest in their homes, their satisfaction with their homes, and the amount of control they are able to exercise in the social and economic aspects of their domestic relations are empirically linked with self-reported status, health satisfaction and mental health status. Other variables that were linked to health status simultaneously with housing factors were consistent with the population health perspective and included social support, employment status, marital status, disability status, and self-reported stress level.

It is evident, therefore that public subsidies for housing, and potential subsidies for employment creation, are well repaid by generating new revenues, and by achieving savings in transfer payments. Such subsidies also provide psychosocial benefits for previously unemployed individuals who receive employment and training. They create health and crime reduction benefits for residents of neighborhoods that acquire new housing. Such subsidies are well justified from a financial and social perspective.

CHAPTER 9

Explorations in Urban Aboriginal Neighbourhood Development

Community economic development theory acknowledges not only the need for restructuring neighborhood economies, but also for social inclusion, social development, and the building of social capital. The two remaining chapters will explore the need to develop social capital in William Whyte.

> *William Whyte is an inner city distressed area in the city of Winnipeg. Average family incomes in the neighbourhood are less than half those for the rest of the city (Winnipeg, 2002a). Unemployment rates are three times the city average. Sixteen percent of the housing in the William Whyte is in need of major repair. The community is on the border between the two highest crime districts in the city (Winnipeg, 2002b). Thirty-eight percent of the population of William Whyte is Aboriginal (Winnipeg, 2002a).*

Many would take exception to the above description of this neighbourhood as disproportionately negative. They would argue that no community is without its redeeming qualities (McKnight and Kretzmann, 1999), and William Whyte certainly has its own. Some see this neighbourhood as "friendly" and "accepting", and say they would not want to live anywhere else in city (Social Planning Council, 1995). As one informant for this study stated

> I grew up here. I understand this community. I feel good being in it.

The William Whyte residents who were co-researchers in this study have lived in this community most of their lives. They know its territory intimately and they feel secure on any of its street corners. Each has had to find strategies to survive in this harsh environment. One was a "bouncer" in one of William Whyte's toughest drinking establishments. Another is a single mother. In the midst of this research her refrigerator broke down and she lost a week's worth of food supplies before the landlord came to fix it. Her rented house was deemed beyond repair by the North End Housing Project.

In the conversations outlined in this paper, these researchers do not minimize the stresses of growing up in poverty. They talk about their aspirations for themselves, their families, and their neighbourhood. They are acutely aware of being Aboriginal in a society where stereotypes are prevalent, where the legacy of colonization is painfully present, and where social distance cuts off access to the city's opportunity structures.

As Jason said,

> Everything in our community is inadequate ... Back when all those houses were getting burned, I think people were crying out for adequate housing. They didn't realize what they were doing ... People were giving you a message.

This research was a response to a situation in which the North End Housing Project (NEHP) was attempting to make neighbourhood development a participatory process. NEHP had renovated ten houses on two blocks in the William Whyte neighbourhood, and was contemplating renovating 25 more in the locality. This renewed housing was made available to local residents on a lease-to-purchase basis. The organization was also interested in developing playgrounds, community space, and specialized residency. NEHP's vision was to create a kind of urban village. The organization was asking local residents to express their wishes in the design of this renewed neighbourhood environment.

NEHP had gone door-to-door inviting community residents to attend consultation and planning meetings. The gatherings were reasonably well attended, and the discussions were lively. On further reflection, however, it became evident that those present were not completely representative of neighbourhood demographics. Some at the meetings were local residents who were employed in social agencies. Others were members of a community foot patrol, a vocal and mobilized group who took a somewhat adversarial approach on many community issues. Some were present almost *ex officio*, such as the community police officer and the pastor of the local church. Not well represented in the meetings, however, were those less comfortable speaking in public, those who felt marginal to the process of planning and delivering neighbourhood programs, and those whose struggles with daily living did not often permit them to attend meetings. Noticeably absent were many residents who were Aboriginal.

It seemed from this experience that if the housing organization wished to hear from those for whom neighbourhood redesign was primarily intended, then it needed to engage in a different form of consultation. Particularly, if there were a unique cultural perspective to be gained from Aboriginal residents, the process of gathering such input must be adapted to Aboriginal cultural preferences. Preliminary discussions with Aboriginal board members of NEHP, and other Aboriginal acquaintances, suggested that this was a likely hypothesis.

The project, therefore, engaged two Aboriginal residents of William Whyte and an Aboriginal former resident as indigenous researchers. One researcher had significant familiarity with social research, taught in an inner city program of the University, and had worked for many years with local Aboriginal social agencies. He had written on the subject of culturally-based community development (Morrissette, Morrissette, and

Mackenzie, 1992) and had given considerable thought to issues of social and cultural development. The other two researchers had little background in social research. They were known to the first researcher through kinship and friendship ties, and through participation in community youth programs. In other aspects of their lives, however, they were typical of most William Whyte residents.

The research was partly an exercise in participatory neighbourhood planning. However, it was also, in part, a formative ethnographic exploration. The organization was interested not just in the physical renewal of the community, but also in helping to build social capital, and in enabling residents to draw together to access needed resources for collective attention to social needs. An ethnography would be helpful in understanding culturally-based aspirations in the community, and in bringing to light any obstacles about which a mainstream organization may be unaware because of cultural distance.

The term "ethnography," here, is used advisedly. It refers not just to the in-depth qualitative methods that were used in the study, but also, as Wolcott (1999), Fetterman, (1998), LeCompte and Shensul (1999), Creswell (1998), Shweder (1996) and others have insisted, to an approach in which the central research question is cultural description. As Shweder (1996) says "a true ethnography is about something called a culture."

Fetterman, (1998) provides two very broad definitions of culture, one that is ideational, and one that is materialist.

> the classic materialistic interpretation of culture focuses on behavior. In this view, culture is the sum of the social group's observable patterns of behavior, customs, and way of life (Harris, 1968, p.16). The most popular ideational definition of culture is the cognitive definition ... according to the cognitive approach, culture comprises the ideas, beliefs, and knowledge that characterize a particular group of people ...

> although neither definition is sufficient, each offers the ethnographer a starting point and a perspective from which to approach the group under study.

Similar definitions are found elsewhere (Creswell, 1998; Goodenough, 1994; Harris, 1988; Keesing, 1981; LeCompte and Shensul, 1999). While the study was conceived with such definitions in mind, the concept of culture was left open for indigenous researchers, and their informants, to define. One objective of the research was to explore what the term "culture" may mean to inner city Aboriginal respondents. Since the study wished to identify a cultural basis for community development, it seemed important to allow the significance of the concept to emerge from the informants themselves.

Epistemological Issues

The design of this study, its content, analysis, and findings, and its use and dissemination, were influenced by paradigms that have been critical of traditional ethnographic methods of the past. Such criticisms are grounded in epistemological, political, and ethical concerns, many of which were distilled in a collection of essays edited by James Clifford and George Marcus (1986) entitled *Writing Culture: the Poetics and Politics of Ethnography*. Other critical approaches have emerged in circumstances of underdevelopment in the former colonies of the Western world, and in circumstances of oppression in industrialized countries (Harrison, 1997; D'Amico Samuels, 1997; Tandon, 1986). As a methodology, these approaches have come to be referred to as Participatory Action Research (Fals Borda, 1992; Hall 1986; Lather, 1986; Tandon, 1986; Rahman,1993).

The essays in the collection by Clifford and Marcus, and its companion volume by Marcus and Fischer (1986), *Anthropology as Cultural Critique*, are widely seen as reflecting a turning point in the practice of ethnographic writing. Denzin (1996) referred to their impact as “a profound rupture” in the practice of ethnography. James, Hockey, and Dawson (1997) called the volume “a watershed in anthropological thought.” Feminist anthropologists (Behar and Gordon, eds., 1995) have said that *Writing Culture* presented “a double crisis” in anthropology, one that underscored questions of epistemology and representation at a time when feminist researchers were grappling with issues of gender bias and domination in anthropological research.

Epistemology

This study attempted to take into account some of the main criticisms raised by *Writing Culture*. These were outlined by Clifford in his introduction to the volume. In it he argued that ethnographic research was partial. By this he meant that ethnography was neither neutral nor complete. He argued that cultural writing was based on a series of “systematic - and contestable - exclusions” (Clifford, 1986, p.6) These often failed to take into account the ethical, political, and personal contexts within which ethnography was created. These exclusions helped to establish the ethnographer’s authority and portrayed culture as a neutral scientific subject and a “unified corpus of symbols and meanings” (1986, p.10).

Clifford argued that little was said in traditional ethnography about the circumstances under which the ethnography was created. It seldom discussed the means by which the researcher gained community trust, for example. Nor did it take into account the ways that colonial relations might affect the interaction between researcher and subjects.

Seldom discussed in traditional ethnography were uncertainties involved in constructing cultural hypotheses. Traditional accounts frequently excluded dissenting views from the community that took exception to the perceived consensus on cultural values. Little discussion was found in traditional cultural research about the possible impact that an ethnography may have on the community once it was made public.

Clifford pointed out that ethnographies were representational artifacts. They involved the evocative use of allegories, figures, and tropes, and that these were interpretive devices. As such they should be used consciously and critically. Clifford called ethnographic artifacts "true fictions" (1986, p.6). He did so, not to suggest that they were false, but that they were something "fashioned or made" and that other representations may be equally valid or persuasive.

Clifford's strategy for dealing with such systematic exclusions was to become "rigorous" and "serious" about partiality. He argued that ethnography should become self-reflexive.

> "who speaks? who writes? when and where? with or to whom? under what institutional and historical constraints?" Clifford asks (1986, p.13).

Hertz (1995) identified reflexivity as an attempt to understand the researcher's location of self within power hierarchies of the field

> to be reflexive is to have an ongoing conversation about experience while simultaneously living in the moment ... through personal accounting, researchers must become more aware of how their positions and interests are imposed at all stages of the research process - from the questions they ask to those they ignore, from whom to study to whom they ignore, from problem formation to analysis, representation, and writing - in order to produce less distorted accounts of the social world (1995, p.viii)

Clifford also calls for multivocality (1986, p.13) to reflect a variety of perspectives on cultural meanings and values expressed by the community. He especially emphasizes the importance of indigenous researchers, whose training may be comparable to that of outsiders, but whose insight and knowledge are that of the community.

The present study attempted to take these critiques of ethnography seriously and to incorporate some of these strategies into its methods.

Participatory Action Research

While Clifford and Marcus subtitled their volume *The Poetics and Politics of Ethnography*, some have argued that the authors have focused more on poetics than politics (D'Amico Samuels, 1997; Harrison, 1997; Behar and Gordon, 1995; Mascia-Lees, 1989). In discussing reflexivity, D'Amico Samuels writes

> it will take more than thinking about thinking to make subject and object fuse ... the sleight of hand here is that the ethnographer ... alters the way he/she chooses to present information as if actual relations within the field work experience are actually altered (1997, p.76)

As Rajesh Tandon (1986) argues

> research in social settings has always been political. It either maintains, explains, or justifies the *status quo* or questions it.

Issues surrounding the relations of production of ethnographic knowledge involve far more than epistemology. Social research is often conducted in situations of material deprivation, racial discrimination, gender oppression, and colonial domination. In such situations ethnography that simply builds theory, or merely adds to cultural knowledge, may be found wanting. Human needs are far too immediate, and human relations too inequitable, to allow for casual investigation without engagement in change. Research is too valuable a commodity in terms of the time and labour of community participants, and in terms of its power in securing resources, to serve mere speculation. Many would argue that the only appropriate use of the scarce resources of research is to advance an agenda for concrete social change. (D'Amico Samuels, 1997; Harrison, 1997; LeCompte and Shensul, 1999; Paine, 1991; Rahman; 1993).

If research, then, is simply one step in a process leading to tangible change, then a further ethical question must be raised. Whose prerogative will it be to define community betterment? If community members have not only the right, but also the cultural awareness and detailed knowledge necessary to define appropriate change, then research, as one stage in this process, should also be placed under community control. Many have argued that in a social change process community members should exert a determining influence over all aspects of information gathering and interpretation. This would include the purpose, design, conduct, analysis, use, and dissemination of the research (Barnsley, 1992; Colorado, 1988; Lather, 1986; Tandon, 1986; Rahman, 1993). The role of the outsider in such a scenario becomes one of technical consultant and sounding board, but the agenda and knowledgeable interpretation in the process belong to the community. (Barnsley, 1995; Rahman, 1993). As Maruyama (1981) and her colleagues found in doing participatory research in US prisons.

> I needed to function only as a catalyst using the Socratic dialogue technique. At no point did I need to supply the team with sociological or psychological theories. The team produced highly sophisticated conceptualizations of their own. (p. 268)
>
> Adair (1972) Worth (1967) and I found that the less contaminated the endogenous researchers were by academic training, the more insightful their products are, and that the untrained researchers can be highly articulate and capable of research (p. 270).

While community participation and control have important ethical and political dimensions for research, they are also highly significant in terms of epistemology. Colorado (1988) points out that authentic indigenous knowledge in Aboriginal communities is accessible only when particular conditions are achieved. Traditional people are able to disclose traditional knowledge only when the correct attitude, balance, and holistic conditions are created. Relationship, place, and time are critically important. Elders are not permitted to share information unless properly approached. Those who do not know the protocols cannot acquire desired information. Tuccaro (quoted in Colorado, 1988) emphasises the importance of prayer, reciprocal feelings of trust, the need to share a joke, and to choose the right time and place before intimate or traditional knowledge can be shared. If researchers cannot create a relationship of mutuality, respect, and shared purpose with their subjects, then it is unlikely that they can acquire authentic information. In this study, then it was considered highly important for Aboriginal cultural concerns be investigated by Aboriginal persons themselves, and for them to determine appropriate methods.

This report will attempt to be self-reflexive and multivocal. It will give voice to indigenous researchers who have exercised a determining role in the study's purpose, design, analysis, and interpretation. These researchers will continue to exercise control over the use and dissemination of its results. The subject of the research was the cultural underpinnings of local neighbourhood aspirations. It was important, therefore, for Aboriginal community researchers to conduct this study in a manner that was culturally grounded and acceptable to others in the community. The study was one component of a larger agenda for community and social change.

Description of the Research Process

The research in the William Whyte community was conducted by a research team of four individuals. Two researchers were current residents of William Whyte. Jason Bousquet and Samantha Bruyere had grown up in the locality and were well acquainted with many of the residents. A third researcher, Larry Morrissette, had also grown up in the locality, but moved away when his son was threatened with violence. Larry continued to work in William Whyte in Aboriginal social agencies, and had done so for over twenty years. The fourth researcher, Lawrence Deane, was a doctoral student from the University of Manitoba. Lawrie was also a member of the Board of Directors of the North End Housing Project, served as its Treasurer, and is the author of this dissertation.

In the quotation above, Tuccaro (1985) suggests that disclosure of cultural information can only occur under appropriate conditions of trust. In the context of Euro Canadian/Aboriginal colonial, racial, and intercultural relations, such trust is often difficult to achieve. In the case of this research, trust relationships were long in the making.

Lawrie Deane and Larry Morrissette originally met six years earlier. They worked briefly on an international development project. Larry was arranging an overseas exchange between inner city Winnipeg Aboriginal young people and indigenous peoples in areas such as India, Indonesia, Mexico, and New Mexico. Lawrie had spent ten years working in India, and was currently a program officer with a Canadian nongovernment development agency. He was providing Larry with some assistance for the Indonesia visits. As it turned out, the tour took place without the involvement of the Canadian NGO, but Larry and Lawrie got to know each other through the project.

Larry was a graduate from University of Manitoba's inner city social work program. He and Lawrie both became instructors in the program. In 1999 the two collaborated in teaching a course for the Aboriginal Focus program of the U of M. The course was on community organizing from an Aboriginal cultural base.

Larry and Lawrie arrived at considerable theoretical agreement through delivering this course. This was later reinforced through working on programs in the inner city. They located funding and designed programs for cultural learning as a means of encouraging inner city Aboriginal youth to find healing, and to make prosocial choices for themselves and their communities. Later, the two were approached by members of an Aboriginal youth gang who were looking for avenues to earn a living through means other than crime. The gang members had sparse education, lengthy criminal records, and unorthodox appearances (tattoos, hairstyles, etc.). They saw few opportunities for employment through available labour markets. At the same time they had young families to care for, and little to look forward to except longer terms in penitentiary, and greater surveillance by police. While a number of opportunities for legitimate employment were discussed, one that presented itself immediately was housing renovation.

The North End Housing Project was renovating homes using locally trained labour. It was proposed that the "gang guys" form their own crew. The participants brought their values of mutual support and solidarity from the gang context to the work site. With supervision from two Aboriginal carpenters, they turned out three renovated houses over the course of the year. More importantly, none of the participants re-offended during the period.

When the idea of exploring an Aboriginal basis for community development was discussed with Larry, he introduced Lawrie to Jason Bousquet and Samantha Bruyere. Both had been participants in youth assemblies coordinated by Larry in the early 1990s and were now in their mid-twenties. Jason had traveled with Larry to meet with Zuni and Oaxcan indigenous young people in Mexico and New Mexico. Samantha had become a single parent mother of two. Both had struggled with education, unemployment, and other difficulties of inner city life. Both had an interest in traditional culture as a means to healing and developing positive identities. Both were concerned about broader improvement in the community.

Research Method

The researchers visited nine families and two individuals over the course of the study. A semi-structured interview schedule was developed for information gathering, but the researchers were also free to probe and explore issues that local residents felt were relevant (LeCompte and Shensul, 1999). Notes were taken of all interviews. The data were then debriefed verbally among all four researchers, and the debriefing sessions were tape recorded. Since three of the researchers were community members, the debriefing sessions served both as reporting sessions, and as occasions for indigenous interpretation and analysis of the data. Valuable discussion and synergy developed around perspectives and ideas during the debriefing sessions. On two occasions other community members participated in the debriefings and contributed to the analysis.

One debriefing session was a report to the Outreach Committee of the Board of Directors of North End Housing Project. The session began with a structured presentation of the findings of the study, and was followed by questions from board members, and an in-depth discussion of the material.

Culturally-based design

The importance of involvement by local residents in the design and conduct of the study was evident right from the beginning. Some items in the interview schedule were contributed by the non-Aboriginal researcher, and despite the fact that the wording was adapted by community researchers to be more understandable to residents, respondents consistently found these items difficult to answer. The typical response was "no answer".

Examples were the following:

> NEHP is planning to fix up some buildings and vacant lots on the street. If you had some input, what kind of cultural uses would you like to see (for the structures)?
> "no answer"
>
> If space were available, how could you see it being used for cultural activities?
> "no answer"

As Jason put it

> It's like they know what it is, but they don't know what it is.

On the other hand the neighbourhood researchers contributed items to the schedule which would likely not have occurred to the non Aboriginal researcher. These items appeared to have immediate relevance to community members, and elicited lengthy responses. Examples were the following:

> Do you have a spirit name?
> How important is your culture to you?
> What type of traditional ceremonies have you been to?

Later Larry commented

> They know right away what you're asking

Appropriate Process

One of the first changes the researchers made to the approach of the study was to urge that tobacco be shared with each of the families interviewed. The community researchers also proposed that we distribute pencils and candy to the children, or simply give them a loonie ($1 coin) when the family was visited. The researchers felt this was necessary to be respectful of the time respondents were giving to the process, and the personal knowledge and insight they were being asked to share.

As Larry expressed it

> One of things we used within the survey was we gave tobacco away ...
> they know what tobacco means. It's a gift. It's a way of respecting what you have to say to me. If you said something to me that I believe, and it will help me with my life, I'll give you that tobacco, and you take it and you understand. It's like a medium ... then all the ideas that everybody has about other things, they become more natural

Samantha's comments were similar.

> What they really like is that we're giving out tobacco. They really, really, really like that, eh, Jay? (Jason). It's like you know we offer it and it's like "come in," you know, and giving us a drink, (and) being comical with us.

The issue of sharing tobacco, and the interpretation of its significance, were the first instance of the importance of reciprocity in the study. This value was to be emphasised repeatedly throughout the research. Had community members not been involved in the design of the study, this important social value might have been overlooked. Since most urban Aboriginals are bicultural, they might have accepted a nonAboriginal approach to asking for social data, but the impact on the quality of information can only be imagined.

Themes

When the researchers presented their findings to the Outreach Committee of the Board of North End Housing Project they chose to highlight two main themes. The first was that Aboriginal community members felt a "distance" or a "disconnection" from the housing program. Secondly, the community indicated that they wanted space for recreation programs for young people, and some means through which Aboriginal young people could learn their language, retain their traditions, and maintain a greater closeness to parents and elders. There was a concern that young people were leaving the community to find recreation and friends elsewhere.

Disconnection

In presenting the first theme, Larry stated the following

> All the people we spoke with (including some [that Jay spoke to] on his own) there's this feeling among the people of the area - the Aboriginal people, native people, whatever you want to call - us. There's a real distance between this program and the possibility of ever being a part of it.
>
> It's no reflection on the work you've done. It's no reflection on the work you're attempting to do. (But) there's a feeling that - with any program - there's this distance that always evolves and creeps up. We've heard that among some of the old people and the other residents.

Jason put the concern another way.

> Like Larry was saying, Aboriginal people in the community they don't feel like they can be connected to the idea of the program
>
> They feel like it's far-fetched, and it's like not possible for them to achieve the goal of actually owning their own house or having their own property.

On another occasion Larry put the issue more surprisingly

> What we've heard so far is that people don't feel connected. They're telling white people they feel connected. But they're not telling the truth. They don't feel they can go over here and then apply for housing. Even if they know that it's there, they don't feel they could apply for it.

The theme came up repeatedly in various debriefing sessions throughout the study, and it was reflected in the comments of a number of informants.

Some of the staff found this difficult to accept. They felt the need to defend the inclusiveness of the program. They produced data to show that 17 of the 25 houses in the project had been rented to Aboriginal families, and five out of twelve Board members were Aboriginal. The program, they argued, *was* reaching Aboriginal families.

How, then, were the researchers to explain the findings? Perhaps they had imposed their own biases on what they heard. But quotations from key informants were numerous and quite clear in their intent. It appeared that some Aboriginal residents felt they could take part in the program, but many felt that they could not.

Samantha says

> To everybody we go and see they notice that there's white people getting the houses.

Jason: (That older man) he thought it was just for the white folks. Yeah, that's what he said. He believes it. Native people couldn't be involved in something like that, eh? Like he was kind of shocked when I told him his daughter can own a place like this.

Some board members were quite concerned by these reports. One asked the researchers to help her understand the problem. She said

> It disturbs me that the Aboriginal community finds a program like this - ownership of housing - unobtainable.
>
> I've heard about a culture of poverty, where even if you had an opportunity to better your position in the world, it's hard to make a mental switch to break out.
>
> I guess my question is - this whole program is tailored for poor people who wouldn't be able to go to the bank and have collateral to make a down payment to get a mortgage to own house. If the Aboriginal community is entrenched in a culture of poverty - that makes even that unattainable - then I wonder what we can do.

Larry's response was not to engage in theoretical questions about the validity of the culture of poverty concept, but instead to propose concrete steps to address the situation.

> I guess - from what I've heard - (what we should do is) do a few tests. Involve a few Aboriginal people. And walk them through the process.

This phenomenon of the disconnection and withdrawal from material opportunities has been documented elsewhere in studies of Aboriginal communities near Winnipeg. Georg Lithman (1983; 1984) studied the Sagkeen Reserve which is one of the largest and closest reserves to the city.

Lithman described the repeated collapse of development opportunities at Sagkeen. He indicated that residents of the reserve repeatedly withdrew from opportunities for material advancement such as education, employment, or community economic development. He characterized the withdrawal from these opportunities as an inter-ethnic interaction. He used this term to emphasize his view that culture played little part in the interactions.

Lithman argued that withdrawal behavior follows fairly predictable patterns and he developed a six-part typology to describe them. The interactions varied according to the extent to which Aboriginal people felt they could control the outcome. Withdrawal from economic opportunities, Lithman believed, was due to stereotyped beliefs on the part of white people about Aboriginals and their behavior. Aboriginals withdrew to avoid "the indignities of most interactions with white men" (1983, p.151). Lithman argued that this pattern explained the preference of Aboriginal people to live in poverty on a reserve rather than obtaining "the seemingly infinite advantages connected with joining the mainstream society" (1984, p.58). It is this view that gives the book its title, *The Community Apart* (1984).

As discussed in Chpater 3, Lithman went to some length to argue that "Indian culture" was not a relevant factor in explaining these patterns. He had four reasons for doing so. First, following Dunning (1964), Lithman argued that southern reserves had such lengthy exposure to the mainstream economy and way of life that they had lost their Aboriginal cultural orientation. Such "Type B communities," Lithman argued, were "patterned rather after outside models than after native traditions." Sagkeen, he said, was an "almost archetypal B reserve community" (1984, p.6).

Secondly, Lithman objected to a common stereotype that Aboriginal people were culturally unprepared to take part in an industrial economy. He observed that Aboriginals at Sagkeen had functioned very successfully in a paper mill, and in complex bush operations, and in numerous other ways. He argued that the stereotype was simply untrue.

Thirdly, Lithman contended that expressions of cultural difference at Sagkeen were primarily examples of "opposition ideology." Following Schwimmer (1972) and Blau (1964, p.224ff), Lithman (1984, p.167) suggested that opposition ideology was likely to be found in majority-exploiter/minority-exploited situations. The ideology provided symbols of internal solidarity among the minority, and reversed the scaling criteria of the majority group

> The minority can claim it lives "right" while the majority lives "wrong". (1984, p.167)

Lithman argued that the use of opposition ideology at Sagkeen "produced substantial measurable social and economic advantages" by serving as a rationale for extracting benefits from the dominant society for past injustices done towards Aboriginals (1984, p. 170).

Fourthly, a focus on values such as "fair shares" and "equality", according to Lithman, does not derive from an Aboriginal cultural orientation of community members, but from the peculiar economic and political distribution system found on reserves in which almost all material provisioning is channeled through chief and council (1984, pp.125-139). Lithman says

> the potency of the symbols can only be understood as a result of the fairly recently changed framework of the political economy of the reserve community.

Withdrawal in William Whyte

The pattern that Lithman describes is similar to that observed in William Whyte. Aboriginal people withdrew from economic opportunities. These included chances to obtain renovated housing and to qualify for home ownership, offers of employment, and free food at a food bank. Unlike Lithman's analysis, however, this research suggests that these interactions had a very significant cultural element. The interactions were to avoid indignity, certainly, and by coincidence the context for this was often inter-ethnic, but the indignity did not necessarily involve avoiding racial stereotypes. Often participants withdrew to avoid interactions based on values that were incompatible with, or perhaps even offensive to, their own value orientations. In some cases the interactions were intra-ethnic rather than inter-ethnic. Withdrawal in these situations was from interactions with other Aboriginals, most of whom were themselves residents of William Whyte. The pattern of withdrawal indicates that social services, employment opportunities, training programs, and housing initiatives may need to be offered through an alternate value system from mainstream models, if they are to be embraced by a broad spectrum of Aboriginal people. In fact the entire context of service provision may need to be altered through the development of culturally-based community institutions.

The clearest indication of the cultural element in the phenomenon of withdrawal appeared in the solutions proposed by Larry, Jason, and Samantha to the problem of disaffection. They suggested that NEHP hold a giveaway.

> As an organization - as the North End Housing Project - there are ways of bridging gaps, or closing those gaps, between Indian people and the organization itself. And one idea we talked about was like the give away. The Board maybe could get some funds ... (and) buy some school supplies, and have a giveaway on the street.
>
> What it does is, within the Aboriginal community, there's always been a standard. You go to a pow-wow - you see a giveaway. You go to somebody's birthday - you see a giveaway. So you're creating a situation where you're developing a line of respect with people in the community and involving them.

Larry is arguing not only that the ceremony of a giveaway is commonly practiced and understood by the community, but that the force of its ethic is also keenly felt among Aboriginal residents. The value system of reciprocity, according to Larry, is still compelling, even among Aboriginals who have had long exposure to mainstream society.

> Because at one point or another they need to return that gift. That gift you give isn't charity. It's an extension of who you are as an organization, to people who understand that kind of communication. And it's been successful. We've done that (before).

The concept is new to nonAboriginal board members, and they have a number of questions about how it should be done.

Lorraine: How do you invite people?

Larry: You just let people know by talking to them ... that it's to help the community out a little bit with school. It's in the approach, eh? You know it's not charity. You're demonstrating that from the work you've done as a Board ... the houses you've given to other people, that you're prepared now to give something back to the community. You know what I mean? It's like almost bordering on being proud of what you've done, and demonstrating your accomplishments to the community. So it's not like a charity thing, like people don't see it that way. Indian people in particular don't see it that way. They just see it as, well these guys are giving back.

> And that's a ceremonial expression of the reality that people had to live, they had to give-and-take in order to survive.

Moore (1993) documented extensive contemporary practice of giveaways and reciprocity among the Plains Indians of Oklahoma and neighbouring states. Weibel-Orlando (1991, p.281) indicated that such a system "characterizes the distribution of resources among Indians to this day" in Los Angeles.

According to Moore (1993, pp.249-50), reciprocity is celebrated publicly at pow-wows and giveaway ceremonies in small towns and urban centres across the plains. His study shows that 541 such events occurred in the State of Oklahoma over a two-year period (1978-80). He argued that such public events were symbolic expression of an underlying material reality.

> If one explores behaviour in modern Plains Indian communities on a day-to-day basis through the year, as an ethnographer, it is clear that there is a real material system for distributing the means of subsistence which underlies and parallels the symbolic system exhibited at the simple giveaway.
>
> The most usual requests made by needy families which I have observed over the past twenty years are as follows: (1) food, (2) gas money for travel, (3) fuel for the home, (4) telephone calls, and (5) air fare.

Moore (1993) indicates that patterns vary with tribal traditions, but there is a basic unity to all such practice.

> the most significant and most fundamental aspect of the giveaway and pow-wow complex is the redistributive function. It is fundamental because it keeps people alive, providing them with the means of subsistence - food, money, heat, medical care (p.268).

This phenomenon of equalizing exchange appears subtle to nonAboriginals, but can be very compelling for Aboriginal participants. The community researchers argued that much of the indignity that Aboriginal people wish to avoid in their interactions with social services pertained not so much to the interethnic nature of the interaction, but to the terms on which the services were provided. Charity and handouts were viewed as demeaning because they offered no way for recipients to reciprocate the giving. Because a pattern of mutual expectation of giving and receiving had not been established, there was a corresponding absence of trust. Interactions where trust was not established were avoided. Some Aboriginal people in William Whyte endured material hardship rather than receiving assistance that did not occur in the context of trust and reciprocity.

Samantha: Yesterday I was at the Family Resource Center and the (food bank) delivery was just coming in, and there was not one Native person going there to get the food. It was all white people.

Lawrie: So why is that?

Samantha: I don't know why that is.

Lawrie: Why do you think? People are not coming out for something that could obviously benefit them? Would you, yourself, go for food?

Samantha: No

Larry: No.

Jason: No. I don't mean to insult it or anything, but I wouldn't.

Samantha: I would call Larry at home 'I have a problem. Come on, you can help me out' I wouldn't go to no food bank.

Jason: I guess that's about as close to the truth as you can get. Native people are like that, they're really stubborn. Sure they're poor and oppressed, but they have some pride.

Larry: It's a trust thing.

> You know if I came up to you and asked to borrow - a pack of smokes - and you told me 'no' it would break the trust. Because it takes a lot to even ask somebody for help. It does, eh? Like when you're going through a hard time. (To) ask for diapers. (To) ask for money for milk. And if you like brush me off, and say 'go to a food bank' It breaks the trust.

One individual who had experience with Aboriginal street gangs articulated the issue this way:

Joe: That's where gangs come in. You have a hard time, bang, they're there to help you. That's what they do. Bang, they help you with what you need. That's why the gang thing is so big now. They know what you need.

> That's why people go to gangs. They take care of you - they do. They don't let you go without, you know what I mean.

The element of mutual obligation, however, is also extremely powerful.

> They know what you need. (But later on they say) "Well come on, man. We helped you out ...
>
> I just got offered $2000 last week to go break someone's legs.

Jason: (laughs ironically) There's work in the community, but it's not the work we want to do. Do you know what I'm saying?

Joe: See I've been raising my kids for the last six years, eh? .. I went to work and all that other stuff, and all my friends started coming back around in the summertime, and they said let's (hang out. I said "I have to go to work").

> (they said) I'll pay your wage. Two people gave me minimum wage just to hang out.
>
> The next thing that happened they said - Hey can you give me $40?

Jason: Like, we got friends out there. They make money and stuff. Me and Joe, like seriously, if we were in a rough position, we're more than sure, we could say to them "I need some cash. I'm in a real spot, eh?" And it wouldn't be borrowing. It would just be giving.

Larry: See, white people don't do that

Jason: Go for it!

Larry: They don't recognize when someone's going through a hard time, because you won't say you're going through a hard time. People will know. I need this, I'm out of smokes. People know. They just know. It's not a hard stretch.

> But we need to find a way to be able to do that without the crime attached.
>
> Like Joe talked about. There's got to be a way to get people sort of looking after each other. Some way to strengthen everybody. When somebody is going through hard time, they don't feel like their begging. I mean, that's the biggie, eh?

It is difficult for nonAboriginal people involved in such situations to grasp the strength of this value orientation. Just as the Board members could not understand why a low income person would not avail themselves of the opportunity to own a home, the manager of the renovation workers' employment program could not understand why, of his 19 workers who had been trained through the program, none would accept a role as supervisor. The role came with a substantial increase in wages, and a number of workers had the skills to function in the capacity.

According to Larry, however, accepting the role of supervisor would break a strong ethic of relative equality among the workers. They saw themselves as part of a family-like group. The manager also had difficulty understanding why the workers - who were frequently in financial difficulty - were prepared to lend or give away part of their wages to relatives and fellow workers who were in need.

Taking the supervisory job might have been functional for participants from a financial perspective, but it would not have been workable in relationship terms within the group. Lithman (1984, pp.81-82) documents a similar reluctance at Pine Falls for Aboriginals to become supervisors in a paper mill. The explanations they gave to Lithman were that "All the White guys started to raise all kinds of troubles ... so I resigned" (p.82). But in NEHP the problem is occurring intra-ethnically, among a workgroup that is all Aboriginal. In this situation the workers are unwilling to be boss over their peers.

Larry suggests that the project adopt a different concept of supervision. He suggests that leadership be given to different individuals, at different times, to perform particular tasks. One might take the lead in drywall taping. Another may head up the crew for roofing. Yet another may take leadership in finish carpentry. Larry believes the group would acknowledge the leadership ability of individuals for specific tasks, but would not appreciate a peer taking on a structural position as boss. This would be viewed as "bragging". Certainly none of those who were offered the role was prepared to take it, and the lure of money was insufficient to override relational values.

The implications of what is being discussed are very significant for organizations wishing to be of assistance to urban Aboriginals. In contrast to Lithman's contention that most Aboriginals in southern Canada are fully acculturated, this research suggests that many urban Aboriginal people have value orientations that differ significantly from the mainstream, and that these norms exert significant influence on individual action and behavior. The testimony is certainly widespread in the literature that there is a persistent Aboriginal cultural consciousness. (Battiste, 2000; Canada, 1996; Duran and Duran, 2000; Hart 2002; Henderson, 2000; Moore, 1993).

This discussion does not argue that traditional cultural orientations are necessarily fully intact, coherent, or experienced equally among all urban Aboriginal people. Just as each individual has their own idiolect, or personal speech pattern in a commonly shared language, so each individual has their own idomatic expression of a commonly shared culture (Goodenough, 1994, p.266). Colonization and assimilation, of course, have also had devastating impacts. Leroy Little Bear (2000) describes Aboriginal consciousness this way.

> Colonization created a fragmentary worldview among Aboriginal peoples. By force, terror, and educational policy, it attempted to destroy the Aboriginal worldview - but failed. Instead, colonization left a heritage of jagged worldviews among Indigenous peoples. They no longer had an Aboriginal worldview, nor did they adopt a Eurocentric worldview. Their consciousness became a random puzzle, a jigsaw puzzle that each person has to attempt to understand. Many collective views of the world competed for control of their behavior, and since none was dominant modern Aboriginal people had to make guesses or choices about everything. Aboriginal consciousness became a site of overlapping, contentious, fragmented, competing desires and values (p.84).

It is this colonized consciousness that is so troubling to urban Aboriginal people, and that necessitates the arduous journey toward decolonization and learning one's identity. As Hart says (2002)

> Our people must relearn what it means to be ourselves, whether Cree, Anishinaabe, Dakota, Mi'kmaq, Haida, Inuit or any of the other peoples (p. 34)
>
> We have to recapture our people's language, history and understanding of the world, take those teachings which will support us in the attempt to overcome oppression and reach *mino-pimatisiwin* - the good life. On a spiritual level, we must learn and understand the values and beliefs of our people and freely decide those which we will internalize. (p. 32)

This is not an opposition ideology, as discussed by Lithman, designed to extract advantages from exploiters, but rather it is a perplexing personal journey to reconcile conflicting internal intuitive orientations and recovered traditions, to arrive at an authentic personal identity.

This "random puzzle" that Little Bear describes may explain why some Aboriginal residents of William Whyte are quite comfortable applying for, and residing in NEHP houses, while others feel distant. As discussed earlier, there is no single orientation to culture. Aboriginals accommodate to mainstream society in various ways. As Little Bear says, each has appropriated different pieces of the puzzle. Some have clearly come to terms with nonAboriginal institutions. This explains how some Aboriginal groups can operate food banks and replicate mainstream institutions. For others, generations of discrimination, alienation, and cultural misunderstanding have created profound levels of wariness, distrust, and perhaps cultural searching. They may prefer to keep their own counsel, and keep to their own ways.

If there are significant numbers of residents within William Whyte whose experience is of this type, then NEHP must find ways to reach across the cultural, racial, and colonial divide. If NEHP is to build inclusiveness and a sense of community participation among residents of William Whyte, it must work with community members on their own terms.

Community Children's Cultural Development

Community members told researchers they had a vision for cultural learning activities for their children.

> Jason: There's lots of people out there willing to spend time with these kids. We went to one house - Ruby - she was doing beadwork, making medicine bags. She was more than willing to help along those lines. She has a spirit name, but she wouldn't tell us.
>
> And they are really leaning towards native studies, native language, cultural teachings. Like not going to a ceremony and being part of it, but learning the ideas behind it. The thought. Because they believe kids are suffering cultural identity loss. They want to speak their own language.
>
> Samantha: Yeah, everybody says that.
>
> Jason: Everybody wants to be involved, but there's nothing out there for them to get involved with. And everything's culturally based that they want. Except hockey and soccer.
>
> Most everybody focuses on a place where everybody could get together.
>
> Everyone's going to say the same thing, I'm more than sure. Like they want elders. They believe that if these kids had a place to go, and there were elders around steady, just by the elders being there, they would learn respect, for self for everything.

The implications of this enduring cultural orientation for urban Aboriginal people is far-reaching for social and economic development initiatives in inner city depressed areas. It suggests that it is not sufficient simply to make available economic or material opportunities, and expect people to utilize them. If these are premised on incompatible value systems, they may have only limited relevance for the people they are intended to benefit. Nor is it sufficient that agencies are Aboriginal-controlled. While this may address the inter-ethnic aspect of the interaction, it may not resolve problems of incompatible values. Many Aboriginal agencies borrow their models of service from nonAboriginal programs, and find their services have only limited relevance (Hart, 2002; Duran and Duran, 2000).

Hart (2002) says

> The way out of this conundrum lies in applying the concept of praxis to our helping services. ... Aboriginal practitioners can use Aboriginal theories and approaches in their helping practices. In turn, these theories and approaches should be based upon the peoples' worldviews, beliefs and values (p.35).

This means that the hard work of relearning what it means to be Cree or Anishinaabe or Haida or Inuit also applies to organizations. They must undertake a process of discovery to develop an Aboriginal form of helping. In fact, the task may be broader than simple service delivery. Aboriginal social development may require building culturally based institutions in the urban neighbourhood setting.

As Larry says (albeit rather harshly)

> (NEHP and other neighbourhood groups) are not Aboriginal programs, I agree. But I also agree that shouldn't be an excuse not to look out for Indian people, and expand on some of the local ideas at the community level. Because everything has become so compartmentalized. Like, if you're Aboriginal, you go to the Aboriginal Centre. If you're Aboriginal you go here. And it's a thing that really tears apart community. So if a Board, or grouping of people, really seriously considers working with Indian people, it has to be seen as a partnership, but a partnership that could be entered at any level.
>
> You go to (many Aboriginal organizations) they're pumping out a bunch of noise - it's almost like a vacuum - we'll put you through a few courses and you're expected to be white at the end. That doesn't work. We've got issues of racism, discrimination, poverty, all those things. Hurdles we have to somehow deal with - independently of training programs ... at the community level, that's where you live and breathe. You go home and you're stuck there. Or you're part of the whole scene and somehow, some way, sort of join partnerships.

Hart agrees that what is needed is the development of culturally-based institutions within urban neighbourhoods (2002)

> Social institutions such as justice, education, health, recreation and spiritual systems, must be developed and based upon the languages, values and beliefs of the people (p.33)

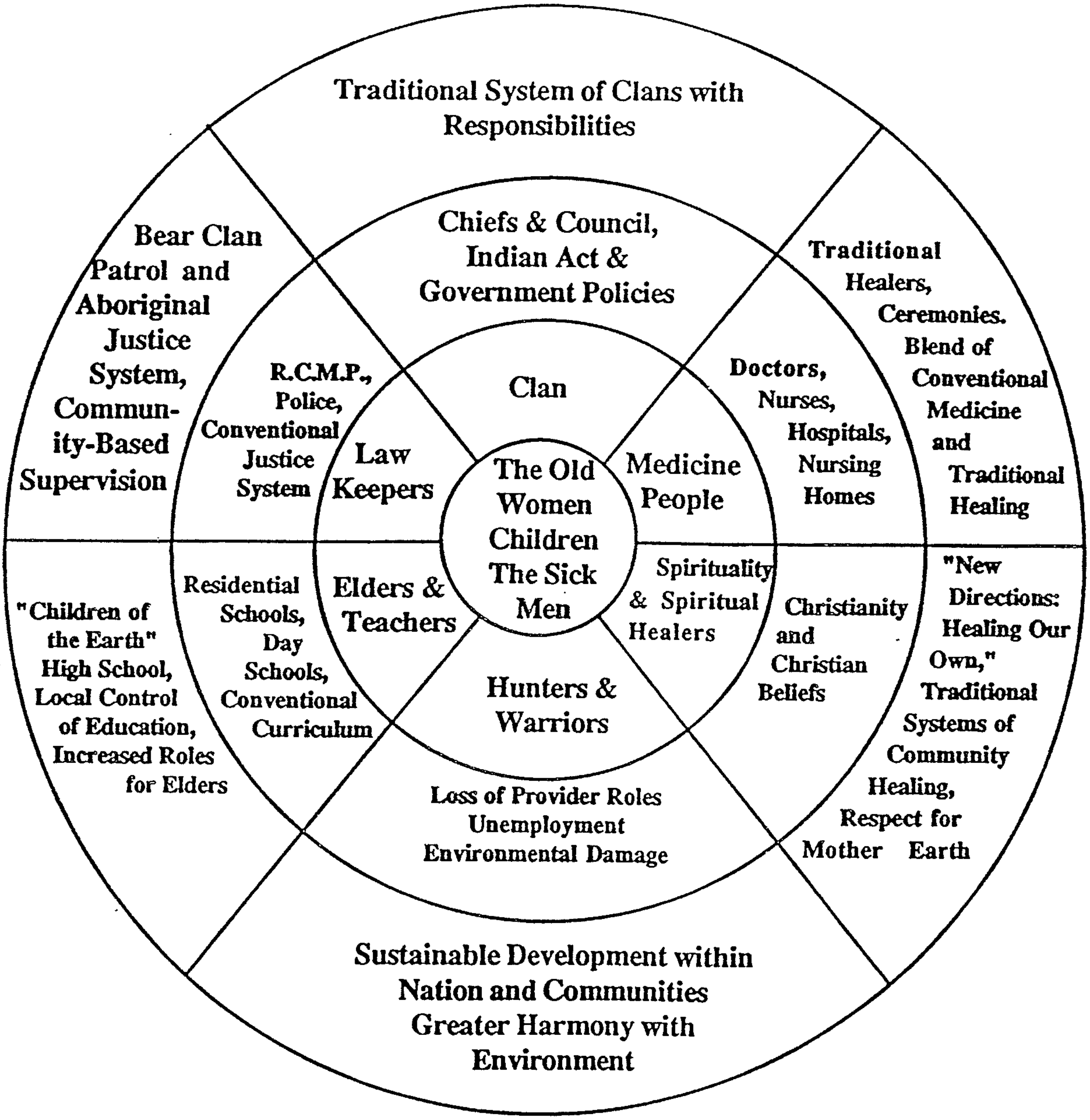
Morrissette, Morrissette, and Mackenzie (1992) have developed a paradigm for a range of culturally based institutions that might be put in place in urban neighbourhoods (Figure 13). In this model the colonization process is considered to have disrupted indigenous Aboriginal institutions and replaced them with alien and culturally inappropriate structures. Morrissette calls for the replacement of these colonial institutions with culturally-recovered Aboriginal patterns.

> You know people in the community can be made into elders if they have elders around them who transfer over that knowledge and they become the teachers. Then it is built into the community.

Some such institutions have been established within William Whyte. Nijimahkwa Elementary School and Children of the Earth High School are examples. Others have been attempted, but have struggled with the process of developing culturally based models. Ma Mawi Wi Chi Itata Centre and Bear Clan Patrol are examples of this. The vision is to establish culturally-based healing, education, employment, safety, community decision-making, and spirituality in the local neighborhood. The value systems on which the alternative institutions are based extend much beyond those of reciprocity and trust. Little Bear (2000, p.79) and Gaywish (cited in Hart, 2002) and The Four Winds Development Project (1988) develop extensive lists of Aboriginal values that should inform community building. Gaywish suggests for example, that basic values include: (1) vision/wholeness; spirit-centered (2) respect/harmony, (3) kindness, (4) honesty/integrity, (5) sharing, (6) strength, (7) bravery/courage, (8) wisdom and (9) respect/humility. While helpful, such lists require explanation if they are to be applied. Little Bear describes how these values may be interwoven into daily life.

> Aboriginal values flow from aboriginal worldview or "philosophy". Values are those mechanisms put in place by the group that more or less tells the individual members of the society that, "if you pursue the following, you will be rewarded or given recognition by the group," or, alternatively "if you pursue the following, you will be ostracized or punished by the group." Aboriginal traditions, laws, and customs are the practical application of the philosophy and values of the group.
>
> Arising out of the Aboriginal philosophy of constant motion or flux is the value of wholeness or totality. The value of wholeness speaks to the totality of creation, the group as opposed to the individual, the forest as opposed to the individual trees. It focuses on the totality of the constant flux rather than on individual patterns. This value is reflected in the customs and organization of Plains Indian tribes, where the locus of social organization is the extended family, not the immediate biological family. Several extended families combined to form a band. Several bands combined to form a tribe or nation; several tribes or nations combined to form confederacies. The circle of kinship can be made up of one circle or a number of concentric circles. These kinship circles can be interconnected by other circles such as religious and social communities. This approach to Aboriginal organization can be viewed as a "spider web" of relations.
>
> Wholeness is like a flower with four petals. When it opens, one discovers strength, sharing, honesty, and kindness. Together these four petals create balance, harmony, and beauty. Wholeness works in the same interconnected way. The value strength speaks to the idea of sustaining balance. If a person is whole and balanced, then he or she is in a position to fulfill his or her individual responsibilities to the whole. If a person is not balanced, then he or she is sick and weak - physically, mentally, or both - and cannot fulfill his or her individual responsibilities. The value strength brings out other values such as independence

Figure 13. Circles of Development: Traditional Systems, Colonization and Decolonization


Traditional System of Clans with Responsibilities
Chiefs & Council, Indian Act & Government Policies
Clan
Traditional Healers, Ceremonies. Blend of Conventional Medicine and Traditional Healing
Doctors, Nurses, Hospitals, Nursing Homes
Medicine People
Bear Clan Patrol and Aboriginal Justice System, Commun-ity-Based Supervision
R.C.M.P., Police, Conventional Justice System
Law Keepers
The Old Women Children The Sick Men
Elders & Teachers
Residential Schools, Day Schools, Conventional Curriculum
"Children of the Earth" High School, Local Control of Education, Increased Roles for Elders
Spirituality & Spiritual Healers
Christianity and Christian Beliefs
"New Directions: Healing Our Own," Traditional Systems of Community Healing, Respect for Mother Earth
Hunters & Warriors
Loss of Provider Roles Unemployment Environmental Damage
Sustainable Development within Nation and Communities Greater Harmony with Environment

NOTES:
1. During the pre-contact and peaceful co-existence periods Aboriginal societies were based on a family/clan system with respective roles and responsibilities.
2. As a result of internal colonialism traditional Aboriginal systems and roles were destroyed and replaced with institutions from the dominant society.
3. Decolonization involves, in part, the replacement of conventional systems with systems which re-integrate aspects of traditional systems destroyed during colonization.
4. Concepts illustrated in this model reflect the collective contributions of Elders and many other Aboriginal people. Special acknowledgement includes Robert Daniels, David Blacksmith, Marilyn Fontaine, Linda Clarkson, Wilfred Buck and Judy Williamson.

Source: Morrissette, et. al. 1992

and respect. Independence means being a generalist, which means knowing a little bit about everything. Independence manifests itself in many different ways. It may manifest itself in long absences from the group on the trap line, in not asking for assistance when in trouble, and in being "a jack of all trades". The quest for balance manifests itself in what Rupert Ross calls the ethic of "noninterference." Noninterference is respect for others' wholeness, totality, and knowledge.

The aboriginal value of sharing manifests itself in relationships. Relationships result from interactions with the group and with all of creation. Sharing speaks not just to interchanging material goods but also, more importantly, to the strength to create and sustain "good feelings." Maintaining good feelings is one reason why a sense of humor pervades aboriginal societies. Sharing also brings about harmony, which sustains strength and balance.

Because the shared heritage is recorded in the minds of the members of society, honesty is an important Aboriginal value. Honesty is closely related to strength and sharing and may be seen as a commitment to these values. It is based on being aware that every being is animate and has an awareness that seeks to understand the constant flux according to its own capabilities. Aboriginal people seek to use such understandings to maintain their balance and to sustain harmony and cooperation. Under the custom of noninterference, no being ought to impose on another's understanding of the flux. Each being ought to have the strength to be tolerant of the beauty of cognitive diversity. Honesty allows Aboriginal people to accept that no one can ever know for certain what someone else knows. The only thing one can go on is what the other human being shares or says to you or others. And, in all of this, there is an underlying presumption that the person is reporting an event the way he or she experienced it ...

Kindness is a value that revolves around notions of love, easygoingness, praise, and gratefulness. If love and good feelings pervade the group, then balance, harmony, and beauty result. If individuals are appropriately and immediately given recognition for upholding strength, honesty, and kindness, and then a "good" order will be maintained, and the good of the group will continue to be the goal of all the members of the society.

Understanding the four interrelated petals of the flower demonstrates why collective decision-making was and is such an important Aboriginal custom. It is important in all aspects of aboriginal life, including decisions governing external relations, the utilization of resources, movements within the Aboriginal territory, and the education of the younger generation. Customs with regard to external relations include peace and friendship with other tribes and nations; trade with outsiders; treatment of visitors and adoption of outsiders; and warfare and defence of territory. Customs about the utilization of resources include collective hunting and harvesting a game and plants and the equal sharing of these resources. Traditionally, the families within a tribal territory did not move around the territory randomly. In fact, extended families had responsibility for certain parts of the territory and moved within that particular part even though there may have been no strong demarcation between families and even though extended families may have joined and moved around the territory together. The fact that many families moved around certain parts of the tribal territory is reflected in the Sundance camp, where certain bands occupy certain parts of the camp circle. This was also reflected in the original occupation of reserves: certain bands occupied certain parts of the reserve and, in many cases, reflected the occupation pattern of the traditional territory.

It is not the intent of this chapter to describe in detail every Aboriginal custom; anthropologists have done enough of that. They have done a fairly decent job of describing the customs themselves, but they have failed miserably in finding and interpreting the meanings behind the customs. The function of Aboriginal values and customs is to maintain relationships that hold creation together. If creation manifests itself in terms of cyclical patterns and repetitions, then the maintenance and renewal of those patterns is all-important. Values and customs are the participatory part that Aboriginal people play in the maintenance of creation.

Institution Building

Ponting (1986) argues that institution-building has proceeded in some communities to the point where they have achieved "institutional completeness." In Ponting's view this is the case at the Khanewake Mohawk community of Montreal. He refers to Khanewake as "a large scale success story in community development" (1986, p.151).

The final shape of institution building in William Whyte cannot be determined in advance. It must be an outcome of community discussion. The process would be one of community organizing that respects cultural values and ways of interacting as they exist in the community.

As this research has shown, Aboriginal culture still exerts a powerful influence on inner city Aboriginal residents. Years of colonization, impoverishment, and immersion in the mainstream life have not erased its relevance. Aboriginal culture may be a collage of jigsaw puzzle fragments, it may be an amalgam of traditional values, mainstream adaptations, and inner city survival skills, but urban Aboriginal culture is nevertheless recognizable to those who share it, and it is powerful in its normative influence. There is a strong quest on the part of inner city Aboriginal people for cultural coherence, personal identity, and community completeness. If NEHP's goal is to restore not just the physical infrastructure of the community, but its social and cultural bonds and linkages, then the organization must pay attention to the cultural orientation of the largest ethnocultural group within its boundaries. The work of community building must belong to the people, and it must build on their own understanding of what it means to be both urban and Aboriginal.

> Larry: I think what you need in that area is community workers. People who just talk and share ideas.
>
> The people we interviewed, they're coming from a certain perspective, meaning that when they're talking about 'family,' they're not talking just about 'nuclear' family, or 'locational' family. I think what they are trying to throw out to us - what I believe - my own assumption - it's a community effort.
>
> What I mean by 'family' - there's a concept of community. And if you take that further, there's also a concept of being Aboriginal, and being connected to other Aboriginal people. And I think that becomes the basis of the bottom line. That's the potential to organize, or to bring people together around. Regardless of issues on every side, the potential is there. There'd be stuff right on your street that you could tap into and create situations. All of it provides some kind of focusing point - focal point. Some way, somehow to create a connection to the culture.

CHAPTER 10

Community Building in William Whyte

There is growing recognition in the community development literature that if community development corporations (CDCs) wish to have a significant impact on severely deteriorated neighbourhoods they must focus not only on the development of physical and economic infrastructure, but also on the social fabric of communities (Briggs and Mueller, 1997; Cohen and Philips, 1997; Gittell and Vidal, 1998; Halpern, 1995; Medoff and Sklar, 1992). The ability of a community to absorb and utilize resources depends to some extent on the stability of its social environment, the climate of cooperation and trust among its residents, the security participants feel in being vocal and visible in their communities, and the level of optimism they have that personal and social circumstances can be improved. Neighbourhood renewal entails rebuilding both physical and social infrastructure. Addressing one dimension of neighbourhood need, while neglecting others, may seriously limit the effectiveness of development interventions.

NEHP experienced significant challenges in acquiring, renovating, leasing, and maintaining neighbourhood housing. It also faced struggles in developing its own organizational capacity. By necessity, the organization's commitment to providing social supports to neighbourhood residents received less attention in the initial years of the project than its organizers intended. Nevertheless, the Board of Directors and staff remained committed to both social and physical neighbourhood renewal. Their intent was to ensure that project housing was accessible to all who needed it, including those whose own sense of alienation prevented them from applying. They believed that it was necessary to develop community cohesion and a sense of collective identity and efficacy in the neighbourhood. They believed that residents of NEHP should not only have suitable shelter, but would also benefit from improved social ties with their neighbours and from increased access to resources outside the community. As the organization's core activity and productive capacity in housing renewal became more stable, it was able to focus more specifically on community building.

To do so, however, it was important that residents of the community be full participants in the process of identifying community needs. Community change must incorporate the insights of those who live in a locality from day-to-day and who will be affected by its outcomes. NEHP could act as a catalyst for this process, it could contribute some technical knowledge of a range of possible interventions, it could also assist with access to public resources, but much of the task of organizing and identifying priorities lay with community members themselves.

This section will describe an initial effort to generate interest among residents in building social ties among one another and becoming more organized. The interviews were a preliminary exploration of residents' perceptions of need in William Whyte. This process was to be an initial step in a more long-term, and steadily evolving interaction among NEHP residents and staff.

Methodology

These interviews were useful in providing information about the social climate of the neighbourhoods. They also served to create some interest among participants in taking action on some of the issues that were raised by the study. This reflected an approach that LeCompte and Shensul (1999) and Patton (1990) refer to as "action" research. The goal of the research is not simply to generate information, but to facilitate action on the part of participants in addressing community needs.

The research consisted of in-depth interviews with 16 families in NEHP's target areas. Twelve families were residents of NEHP housing. Four were residents of the broader community. Two of these nonNEHP families were key figures in an existing residents' association that was active in one of the neighbourhoods.

At the time of the study there were 48 resident families in NEHP. In meeting with twelve, the study interviewed 25 percent of the total. While this number may appear significant, it was not intended as a statistical random sample. Patton (1990, pp. 184-185) indicates that with a population of 50, one would need to interview 44 randomly sampled participants to achieve a 95 percent level of confidence.

Instead, respondents constituted what Patton (1990) and Agar (1996) refer to as a "purposeful sample". As Patton says

> In many ways a major trade-off between quantitative methods and qualitative methods is a trade-off between breadth and depth. Qualitative methods permit the evaluation researcher to study selected issues in depth and detail (p.165).
>
> The logic and power of probability sampling depends on selecting a truly random and statistically representative sample that will permit confident generalization from the sample to a larger population. The purpose is generalization.
>
> The logic and power of purposeful sampling lies in selecting *information-rich cases* for study in depth. Information-rich cases are those from which one can learn a great deal about issues of essential importance to the purpose of the research (p.169). (emphasis in the original)

Patton (1990), LeCompte and Shensul (1997), and Agar (1996) outline a number of strategies in choosing such samples. Patton (1990) describes 15 approaches. Examples include "extreme" samples, "homogeneous" samples, "maximum variation" samples, and "intensity" samples. The approach chosen here was adapted from Patton's "stratified" purposeful sample.

> the purpose of the stratified purposeful sample is to capture major variations rather than to identify a common core, although the latter may also emerge in the analysis ... this strategy differs from stratified random sampling in that the sample sizes are likely to be too small for generalization or statistical representativeness (p.174).

Little was known in advance of what characteristics might influence perspectives of participants in the study. A set of variables was chosen, somewhat arbitrarily, to produce variation in responses to study questions. The sample was stratified in terms of geographical neighbourhood, Aboriginal or nonAboriginal descent, length of time as an NEHP resident, and residence or nonresidence in NEHP housing.

No claim was made that these were the most salient categories to choose, nor that the list was sufficient. In a formative study there is no way to know which characteristics may be most relevant. As Agar says (1996)

> Because of your informal work (in the community), you are condemned to too much knowledge about your population. To return to sampling design, you can easily think of numerous variables that should be used to stratify the sample ... even with just 12 variables, assume that each has only two values ... they would, of course, have many more. You now have a sampling frame of 2^{12}, or 4,096 cells to be filled with interviewees. If you only put five in each cell, your grand total would be 20,480 interviewees. Impossible, and yet that is the price you pay for being sensitive to too many things that might relate (to your study population).

Table 10.1 shows the stratification of the sample by the categories as indicated. The intent was to gain a diversity of perspectives in the study. Some categories naturally overlap among participants.

Table 10.1 Diversity of respondents in study.

	Study Sample	Total NEHP Residents
AREA		
William Whyte (West of Salter)	8	22
William Whyte (East of Salter)	4	12
Lord Selkirk Park	3	10
North Point Douglas	1	4
TOTAL	16	48
NEHP RESIDENCE		
Residents	12	
Non-residents	4	
TOTAL	16	
ABORIGINAL DESCENT		
Aboriginal	9	
Non-Aboriginal	7	
TOTAL	16	
LENGTH OF TIME WITH NEHP		
Short-term	5	
Medium-term	4	
Long-term	3	
TOTAL	12	

Fourteen of the 16 interviews were tape-recorded. Two participants asked that their interviews not be taped. Notes were then taken of these interviews and responses were paraphrased. Otherwise recordings were transcribed and analysed. Quotations reproduced in this report are verbatim.

Because the researcher was also a member of the NEHP Board of Directors, there was a concern that residents may feel obligated to participate in interviews. At the suggestion of the University of Manitoba Joint Faculty Research Ethics Board, NEHP residents were approached by a neutral, arms-length community organization, the North End Community Renewal Corporation (NECRC), about their willingness to participate in the study. Respondents were informed that they could decline to participate if they so wished, and there would be no repercussions on their status in NEHP.

Analysis

Transcripts of the interviews were subjected to qualitative analysis as suggested by Agar (1996), Creswell (1998), Fetterman (1998), LeCompte and Shensul (1999) and Patton, (1990). The transcripts were first read through to gain an overall sense of their meaning. They were then read again and material with similar content was color-coded with notations in margins. As color-coded material was read a third time, significant themes were identified. This generated an initial list of 14 themes. The transcripts were then physically cut and arranged by color-coded themes on a large board (Agar, 1996). Materials were then read by theme. In gathering themes together, similarities and differences emerged.

Some themes were identified as major, while others were considered minor. This distinction was based partly on the relative quantity of material on each theme, as well as the number of respondents who mentioned the issue, and the relevance of the issue to the overall research question.

This classification led to some unexpected results. For example, it was anticipated that "neighbourhood safety" and "youth gangs" would constitute major themes, and would be discussed in the context of "negative aspects" of the community or "social problems".

Instead, only five respondents indicated that they felt unsafe in the community, while eleven did not regard safety as an overriding issue. All respondents were well aware of problems in the community, but some described personal strategies in dealing with safety problems, while others indicated they simply did not feel personally threatened.

Perhaps more surprising for the researcher, was the lack of discussion of youth gangs. Only five of the sixteen respondents mentioned the issue without being specifically asked. Those who did mention the problem tended to do so more in passing than as a central issue. Only two respondents felt that they could recognize gang members visually, and only one thought they could do so with certainty. Others doubted if they could be identified by their outward appearance.

One longtime resident, who had expressed considerable concern about safety in the community made no mention of gangs. When asked directly about them she responded "I haven't seen any". No one described any direct contact or harm inflicted on them by gangs.

Nearly all respondents, however, had concerns about "social problems". They tended to identify these as derelict housing, excessive litter, poverty, loud parties and fights, slum landlords, and the "transience" of many neighbourhood residents.

The original list of 14 topics was thus reduced to nine. Of these, five were considered major themes, and four were considered minor. The original 14 themes are shown in Table 10.2. The reduced list of 9 is shown in Table 10.3

Table 10.2 Initial Set of Themes Identified in Interviews

1. Reasons for living in William Whyte
2. Housing satisfaction
3. Aboriginal issues/race
4. Negative aspects of the community/
   Transience
   Social problems
5. Neighbourhood safety
6. A place to gather
7. Micro-neighbourhood boundaries
8. Community interventions/solutions
9. Positive aspects of the community
10. Social capital
11. Limits to interventions
12. Gangs
13. Connections to the broader community
14. Neighbourhood effects of positive activity

Table 10.3 Final Set of Themes Identified in Interviews

Five major themes

1. Housing satisfaction
2. Positive and Negative aspects of the community
3. Safety
4. Neighbourhood change
5. Interventions

Four minor themes

1. Youth gangs
2. Micro-neighbourhood boundaries
3. Social capital
4. Limits to interventions

The five major themes will be discussed below. Minor themes will be reported on briefly.

The interview schedule is shown in Appendix C. Questions in the schedule were open-ended and contained items such as the following:

> What would you say are some positive aspects of the William Whyte neighbourhood?
>
> What would you say are some negative aspects?
>
> What are some actions that North End Housing Project could take to help build a social community?

The inquiry attempted to understand residents' views of their community, their perceptions of strengths and needs, and ways that NEHP could be involved in strengthening social ties among residents. The topics were approached in an open-ended way. Respondents elaborated on issues in ways they felt were important. An attempt will be made to represent both the commonalties and the differences in views among respondents. All interviewees will be given fictitious names to preserve their anonymity.

Housing Satisfaction

While the study was interested in the quality of community that existed in the neighbourhoods, the subject of satisfaction with NEHP housing was unavoidable. Several residents wished to raise concerns about their homes

This was perhaps inevitable in a housing project that was attempting to renovate old structures with limited resources. The extent of the problems, however, was disturbing for the researcher, who was also a Board member of the organization. One outcome of the study was that maintenance and upgrades became an even greater priority for the Board than they had been to date.

Problems that came to light were prioritized by NEHP maintenance crews as:

- serious and urgent (a health or safety risk, or likely to lead to further structural damage)
- moderate (important to address - but not a health or safety risk, and not likely to lead to further structural damage)
- minor (one that the tenant themselves might address with assistance, or one that could be put on a waiting list)

Two homes had serious problems such as defective wiring or roofing problems. Three had lesser problems, such as drywall damage or floor finish problems. Seven (according to residents' own self-report) were relatively problem free. These issues are listed in Table 10.4

Table 10.4 Housing Problems Among Respondents.

Type of Problem	Number Reporting
Serious	2
Moderate	3
Minor or None	7
TOTAL	12

One outcome of the research was for Board and management to give even greater attention to maintenance and upgrades. Problems had arisen for two reasons. Initial grants for housing renovation had been significantly less than those available later in the program. In some homes upgrades were still needed, and resources from funders still had to be secured. Second, there had been significant discontinuity in NEHP management over the life of the program (as discussed earlier in this dissertation). Some requests for maintenance had been neglected during this time. The organization had a backlog. It had recently hired a second construction manager, in whose job description upgrades were a key priority. Partly as a result of this study, it was resolved to present a request to funders for further resources for upgrades.

Jim and Linda described their disastrous initial experience in moving into an NEHP house.

> There was a hole this big in the basement. It was full of mice when we moved in. We moved in Easter weekend, and our sewage backed up downstairs. They came in and turned on the water, and the taps started leaking. So they had to shut off the water and fix that. The back door fell off. It was like "oh, what else?" The fridge didn't work, but they got one out that day.
>
> It was a rough start. But we just laughed about it. We were just so happy to be living here. Anything could have went wrong, and we would have just smiled about it and said "that's OK."
>
> *Lawrie. So did it work out for you here with North End Housing Project?*
>
> Oh definitely. We love it here. We didn't get the brand-new everything, but we're glad. No, we like the house. Everything about the house.

Kerry is an Aboriginal single mom. She says

> This is an older house. So of course it's a fixer upper. You would expect that. I kind of wanted that anyway. I don't like the new houses, the prefabs, I hate those.
>
> So when I moved in here, I kind of knew the deal. I knew it's an organization that's struggling to get bigger. There's going to be some growing pains. And the things that I had (deficiencies) weren't that big. And a lot of things I could just kind of do myself. I mean there are still some things to be done, but they're pretty minor I think.

Some of the houses are new constructions with geothermal heat pumps. Sarah Lynn said

> When I first moved here with my "ex" we lived in Southdale. And he and my son came out here to look at the house, because I refused. My impression of the North End was always the impression of the North End. I grew up knowing the North End wasn't a place to be in, ... So I refused to come look at the house.

> And then my son and him came home and they were like "oh, I really want the house. It's beautiful. We want to move there. We want to move there." And I just said "no". I refused. I said "no". I started crying.
>
> Then I came and looked at the house, and I said "OK, let's move". In my lifetime, if I ever get to move into a brand-new house that I don't have to clean, I don't think it's going to happen very often. So I'm taking it. And I'm a tough cookie. I've put up with a lot of flak in my life. I figured I could deal with it. So, yeah, we moved, and that was that.

The executive of NEHP has now asked for a biweekly update on progress on maintenance issues, partly as a result of the study. They have a six-week plan to ensure that any backlog of maintenance is brought up to date. The organization has made it a key priority to ensure that all homes meet a safe and acceptable standard.

Positive and Negative Aspects of William Whyte

While the issue of housing was critically important, the focus of the study was neighbourhoods and building relationships among residents. Respondents were asked to describe how they would characterize William Whyte as a place to live. Only after this question was answered, were they asked to identify either positive or negative aspects of the community. Responses to these questions were very mixed.

Five respondents saw the community from a "problem" perspective, while eleven saw the community as a place they could make their home. Only two NEHP residents found their communities unsafe or intolerable. One of these was in the process of moving out. Although she appreciated the opportunity for homeownership, her children had been threatened and harassed, and she was moving to Point Douglas. Three of the four nonNEHP residents expressed negative views. All views are listed in Table 10.5.

The generally positive attitude among NEHP residents is fairly understandable. They had made a conscious choice to take up housing in the area, and were contemplating long-term homeownership. Many had been long-term residents of the area prior to moving into NEHP houses and were quite used to dealing with the locality. Interestingly, however, the nonNEHP respondents who had negative views of the community were also long-term residents.

Table 10..5 shows the numbers of each population group who had generally positive or negative views of the neighbourhood. Ten of the 12 NEHP housing residents took a positive view while two took decidedly negative views.

Table 10.5 Positive and Negative Views of the Neighbourhood by Residence of Respondents.

	Positive	Negative	Total
NEHP Residents	10	2	12
nonNEHP Residents	1	3	4
Total	11	5	16

Kerry is an Aboriginal single mom. She says

> In general, (I've lived) in the North End, half my life. So about 15 years. Different streets, but always the North End. It's just attractive because there's a high Aboriginal population, and a lot of my relatives live in the area. So that's why I lived in the area. You get to know the area, and you know where everything is, so you're familiar with it. So you just end up staying in the area. On Alfred I lived three years.
>
> *Lawrie. Do you feel there are lots of positives, or lots of negatives about the community?*
>
> I would say mostly positives.

Those whose perspective on the neighbourhood was generally negative were heavily represented among non NEHP long-term homeowners in the community. One said she felt "stuck" in the community because her home was now worth only half what she had originally paid for it. She did not have sufficient resources to sell at a loss and move elsewhere. At the same time she had witnessed serious problems. There had been a stabbing across the street in which a man had died. Another man had hanged himself from a tree in her yard. Fortunately, this individual survived because someone held him up while Bernice called an ambulance. The paramedics arrived in two minutes.

Two other non NEHP long-term homeowners had come to the area 25 years earlier. One had a cottage at the lake to which she resorted as often as possible. Another owned rental property in the community. When asked to characterize the William Whyte neighbourhood as a place to live, one replied "lousy". They loved the houses they owned, but they deplored the decline that had happened over the time they had lived there.

> Ellen said
>
> I want it to be the community it was 20 to 25 years ago. You could still walk down the street, sit on your front porch and not worry about anybody accosting you. You would run into Sally, Fred, and Jane who lived a block away, and you already knew them. A place where you would have a wanted to bring up kids. A place that had a lot of programs.
>
> But so many of those things are stuff that we had 25 years ago everywhere in the city, but nobody seems to have anymore. Like when I was a kid there was a playground that had a Rec Tech (recreation technician) working in it, and playground supervisors, and they did games, and you went in the wading pools, and all that kind of stuff. That's not there anywhere.

Sarah is an Aboriginal single mother who grew up in the community. Her strategy is to come to terms with what is taking place, but not to be a part of it.

> If you don't associate with (certain) people, which means prostitutes and people selling drugs at the corner. If you don't say "hi" to them. You get a hard time. You can't be prejudiced.
>
> If you stick your nose up at the prostitute they're going to see that. Smile and say "hi" and you won't have a problem. It's the only way to survive around here.

Jim and Linda are very upbeat about the community.

> Linda. I think that the positives would be ... I think the people around here are friendly. More friendly than other places that we've encountered.
>
> Jim. Yeah. They're more down-to-earth. You find people in North Kildonan, East Kildonan ...
>
> Linda. They're stuck up.
>
> Jim. Like especially because we lived in rental, like we were renting.
>
> Linda. We came from North Kildonan, and it was worse in North Kildonan than here. We had more problems there than here. Crimewise and that. And gangs.
>
> I'd much rather live in the North End than in North Kildonan.

Neighbourhood Safety

A key issue for some is safety. Gwen is an Aboriginal mother of two. Her daughter is 13 and her son is 14. Gwen and her husband came to William Whyte from another part of the North End. They came to this area specifically to take advantage of homeownership. Although her house has some deficiencies, she thinks "the goals of the North End Housing Project are really good, and it's a good opportunity for people who can't get a mortgage for whatever reason". However, Gwen has concerns about safety in William Whyte.

> We knew it was going to be a little bit rough. But we didn't know it was going to be this rough.
>
> I don't know, I just don't feel at home here. I just feel unclean here. I just find it's very dirty around here.

> I go to work, and I'm always afraid to get a call that someone walked in and jumped the kids.
>
> (my kids were) swarmed. They weren't beaten up. They were hit. They were assaulted. And my daughter was surrounded by four or five girls and they robbed her.
>
> They saw her coming out of the store, the corner store, and they took her pop and her freezies, and whatever. And she came home crying and that was really shocking for me. Because they would do that in broad daylight.
>
> The young people around here, most of them are very disrespectful. My kids have been jumped. My son several times. My daughter twice.
>
> Those girls on Aberdeen were threatening her. They actually cornered her in the Bridge (drop in center). They chased her into the bathroom. They had a pool ball (in the end of a sock) ... I tried to deal with it myself. They told me to f--- off.
>
> My son doesn't go anywhere. Or if he does he goes with his friend, or I go with him to the store. He's afraid to go anywhere. And that's not good.

Gwen has already found a house. She is returning to Point Douglas and will move soon.

Others have had a different experience. Amy and Jacques live south of Selkirk Avenue

> I don't think it's any worse here than in any other - I hate to say it - North End neighbourhood. But there is not a lot of real stuff going on. Well there is, I guess, but it's not really visible ... This block is mostly old folks. We don't really hear much or see much.

Jim and Linda are east of Salter Street

> *Lawrie. What can you tell me about crime in William Whyte?*
>
> You know, in the year in half we've been here we haven't had one problem. We haven't been vandalized. ... I can't say anybody we know on this block who's had any problems with break-ins or any crime at all.
>
> But we really haven't had any problems.

Kerry commented most extensively about gangs. She says

> Well, you see kids around, but it's been pretty quiet. We had some guys down the street, or whatever, I think they were bikers. We just kept a really close eye on them. ... We had a house down here that was demolished, and I think they were

> probably gangs too, like the teenagers. But, yeah, you can't really do anything about it. You can kind of tell they're gang kids, not without a doubt ... and you don't want to call the police on them if they're not a gang kid. And you have to be empathetic towards that too, because a lot of kids that are in gangs are there because of a lot of social problems. It's just not my area of expertise to help them. It's sad because they are transient too.
>
> *Lawrie. What would you say are the reasons for people getting into gangs?*
>
> Well, we're working on a documentary (film) actually about girls in gangs. So, I read this study and, you know, when you're young, especially Aboriginal kids. I was specifically basing it on Aboriginal girls and why they are attracted to gangs. You know there is low self-esteem and sexual abuse and physical abuse, emotional abuse, there's poverty. You know there's alcoholism and drug addiction in the family when they're growing up. So they have no sense of security. They just want that sense of family that's missing that they never had. So a gang offers them that. They offer money which is something they think will solve things. They'll have some food to eat. They'll have some clothes. And they'll feel better about themselves because they'll have that Nike jacket. So a lot of social problems. If you help those things when kids are young, hopefully they won't be attracted to gangs. And they get a sense of loyalty and they start participating in crime because that's your family (the gang). You'll do anything for your family. So it's really sad.
>
> *Lawrie. How do you think they process in their minds some of the violence they are involved in?*
>
> I think they grow up with it. And so it's just a given. You see your mother getting beaten. You see your father fighting all the time. So you think, well OK that's your role model. That's who you're basing yourself on, so that must be how it should be. Because everybody else does it, right? So you don't see anything wrong with it. You might have a little sense that it's wrong. And there's a lot of anger too. You're angry at the world because you never had a chance to be a kid or to be loved. It's really sad.

Social Capital

During discussions of positives and negatives some respondents described significant incidents of neighbouring and mutual aid in the community.

Jim and Linda were working on their driveway.

> Linda. We dug it down about three inches, like all away from here to the front. And we had to move all the lime and then we had to spread all the gravel. Well, we

> had all the neighbours coming over and offering to help. And when we got our load of gravel, neighbours came out with shovels. Without saying a word they just came and helped shovel.
>
> Jim. When John and Laurie were living over here they came and helped. Brian came and helped ... Robert came and helped. So yeah, we had it done in no time at all.
>
> Linda. Yeah they just came all came out with their shovels without anybody asking or saying a word. You wouldn't see that in North Kildonan.

Ellen, who had described the William Whyte community as "lousy", told a remarkable story of neighbour involvement.

> I know the experience I've had with the community garden that I've got. It's right across the street from me. It's just a perennial garden. It's all full of flowers. It's only in its first year, but it's blooming. And I have met more people from my street this last summer, and people from the area that just drive by. And they say "oh, I see you out there watering every day, and I thought I'd come over and talk". And they might live three or four blocks away.
>
> In the evening people come by and they'll just kind of stroll through and look at the flowers. People who said before they wouldn't have walked out of their house. But now they know they can go there, and it's well lit, and it's got flowers and they are not scared to be through there. And they see there is no vandalism and there's no graffiti that's happened to it either.
>
> *Lawrie. Why do you think there has been no vandalism?*
>
> Because the kids helped me. I was very adamant. "Can I help you water?" "Yeah, here's the hose". And just teach them how to do it. And they helped me weed. And I kept saying, you know, "It'll be really nice when these bloom, if nobody picks them. So everybody can come and see them". And so far I lost only one plant.
>
> We've got five others that are the vegetable gardens
>
> We relocated three beds. And we didn't even do it as a Residents' Association. The people who were interested. We got a lot from the city at 362 Aberdeen. And one lady and her husband took their van and pails. And they moved like 45 gallon pails of soil in their van and filled up three beds. And they had them planted the next day with vegetables.
>
> It was one of the success stories.

Neighbourhood Improvements

Nearly everyone, including those with views that are negative, recognizes that things are improving. Bernice who felt "stuck" in the neighbourhood said

> I have to say NEHP has done an excellent job of renovations. I don't know how you select your tenants - there might have been some better selection. But on average you've gotten some pretty good tenants

Barbara has lived in the locality for 25 years and she has lived on Alfred Avenue for 15 years. She moved into North End Housing from another house down the block. She says

> Like, I won't ever leave this community. I like the community. Alfred Avenue in particular is getting a whole lot better. As is the rest, you know, point Douglas. The streets are getting better.
>
> *Lawrie. Tell me in what ways?*
>
> People are friendlier. People get out more. You can actually say "hi" to your neighbour and nobody's going to tell you to. Ha! "Screw yourself". Or whatever you want to say. In general it's getting better.
>
> *Lawrie. How come it's getting better?*
>
> I think because of the new housing. People can actually see that better housing makes for a better neighbourhood. And I guess, too, it's got to do with North End Housing Project screening. They sort of watch which families are going where, and if they're really serious about wanting to do anything. So, you know, that changes the whole context of things.
>
> And I think, even owners are seeing what North End Housing Project is doing. So, all of a sudden they're doing it. Like just across the empty lot there, by Hope Centre, that big house. That hasn't had a new roof in 50 years. But it's getting a facelift this year. And not because she really wants to do it, you know.
>
> She wants to keep up, because she's also keeping an eye on what things are worth, right now. Because housing prices are definitely going up in this area. You've got Habitat at that end - you've got nice houses down this end.
>
> I think it was Habitat, not the city, that did that little park down there. Put new play structures and everything in. So that brings everything up. Kids can actually use

the park without having to be scared of it. They cut down all the trees where people can hide. It just used to be like a sniffer place. And where people would go to do drugs and whatever. And now the kids can actually use it. So there's lots of things going on.

Lawrie. Can you think of any other examples where people are fixing up their places?

I think just about everybody is. Even the old people across the street managed to put a coat of paint on their house. Over on Burrows, there's a lady there that - she has a house full of birds - she must have thousand birds.

Lawrie. Pet birds?

Pet birds - plus her three collies - but she's never, ever, done anything with her house. In all the years - in 25 years that I've been in the North End - as she ever done anything to that house. She did. She hired somebody who came and put a new roof. They painted the outside. They took down the old fence. She said she's going to put in chain-link now. And she's actually going to get front stairs. She's never had front stairs to her house. Just a sort of shell. At one time there were stairs there. You know, and it's all over, people like that.

I have to give you another "for instance". This house here right across and beside it is a little house. Right next door on the left-hand side. Now that has always been an eyesore. The lady owns the house. She's owned it for years. She never did anything to it. As soon as that house was done, and these houses were done, she got a new roof. She got siding. She did it on her own.

Lawrie. Has she done work on the inside?

She had the wiring done. She lives there by herself. She's a nurse. She's maybe sixty years old. But that's what happens. People start fixing up and cleaning up.

Interventions

Having discussed positives and negatives in the community, residents were asked if there were some way NEHP could be involved in helping residents make the community better socially. The researcher expected a significant range of concrete suggestions. Instead, most respondents were hesitant.

Ellen, is an example. She is very active in the community. She presented the researcher with a list of 30 initiatives identified by the neighbourhood association as actions that the community could take to address issues. They ranged from a neighbourhood cleanup campaign, to land assembly for infill housing. Fourteen of the initiatives were to be carried out by residents themselves.

But when asked if there were ways that NEHP should be engaged in community building, Ellen was hesitant, a little at a loss.

> We've tried so many (initiatives). We have them ongoing. It's really hard to chip away at that.

Gwen, who is moving out because of safety issues, says

> It's like a domino effect ... You fix (one) problem, it's going to affect something else, and so on, and so forth, and all of a sudden you're back to square one again. I think the problems here are just too massive. And it just seems hopeless sometimes. But, yet I know that communities can create change. They did that in the States. In some areas they took back their neighbourhood. And if they can do it, I'm sure that the North End Housing Project, with the help of other agencies, would be able to do it. But the neighbours would have to get to know each other. I know they have the William Whyte neighbourhood thing. But I've never actually gone to any of the meetings.

None of the respondents came up with a spontaneous list of concrete solutions. Instead, hesitantly, they suggested facilitating greater social interaction at the micro-neighbourhood level. Even this intervention, they suggested, should have limits.

Kerry says

> I don't think necessarily we'd all be having coffee at each other's house or anything. But just to know them a little bit more. Just to break the ice. And if you have a little bit of knowledge, you'll be more capable of going over there when there is something happening. You'd feel you know them a little more.

Ellen says:

> Unless you're offering something free and fun to get people out. Block parties would be phenomenal.
>
> People have to be drawn out of their homes somehow and realize that people around here aren't weird.

Gwen, who is very concerned about safety, and garbage in the area, has a similar suggestion. She says

> If all these agencies get together and get the people to know each other. Have monthly get-togethers to get to know the neighbours, work together to try to get this neighbourhood cleaned up. And I don't mean the gangs and stuff. I'm talking about garbage.

It is the idea of socializing with one's neighbours that resonates most strongly with all the residents interviewed. Barbara says,

> Some of the things that bring the community out was like yesterday Hope Centre held, like a "Hi Neighbour". And "Come in and see what's going on in Hope Center. Stay for supper". Beautiful vegetarian lasagna. You know, there was a lot of people out at it. All the people that you see. Like my neighbours here, and at the end. They were all there. So that's kind of nice. And they hold a powwow once a year. This will be the second year they hold a powwow.

Kerry again.

> I think we need to have a stronger tenants' group. We don't really have a tenants' group. But just to get to know each other, I guess. You know, meet and greet. Something so we can all get together and get to know each other. Because that's the thing ... we don't really go past that "Hi, how are you?" You don't really get to know each other that well. So I think this coming together for different things helps a little.
>
> Maybe even just on a smaller scale. You know the Alfred people all meet together kind of thing. And that way you know your immediate little community a lot better. And the Christmas parties and stuff are great but we don't really get to know each other. Because there are so many of us.

The Strength of Weak Ties

Simple mingling of neighbours in the context of serious community social problems may seem a simplistic intervention. It is a little surprising to the researcher that this is the extent of the recommendations that emerge from the study. There were no strong advocates of foot patrols, political lobbying, or additional social services. Beyond simple "get acquainted" events there were few strong recommendations for social interventions. There may be significant wisdom in the approach that residents are proposing.

Briggs and Mueller (1997) state

> Residents of low income neighbourhoods, like those in most neighbourhoods across the country, value their privacy and are wary of intrusive, demanding relationships with their immediate neighbours (p. 7).
>
> Images of urban neighbourhoods - poor or nonpoor - swarming with dense, close relationships among large numbers of people are *terribly* misleading. More accurate is the image of many small worlds co-existing and coming into fairly limited contact in any shared space. To elaborate this point, most people's social worlds are quite small and often nonlocal, unless you ask about *weak* ties - neighbours you greet casually or people you deal with frequently at work but to whom you are not emotionally close ... (p. 204).
>
> In the context of social relationships, "casual" should not be taken to mean unimportant. Not only can casual ties be important sources of information (Granovetter, 1973, 1974) but they appear to be a source of security and familiarity in threatening neighbourhoods (Merry, 1981). Neighbours may be important without being "close" (p. 205). (emphasis in the original).

These authors' observations are supported by significant empirical research on the importance of social networks. Sampson, Morenoff, and Gannon-Rowley (2002) reviewed 40 quantitative studies published in peer-reviewed social and behavioral science journals between 1996 and 2001. They sought to identify processes by which neighbourhoods may affect the well-being of children and adolescents. Their interest was in the "persistent patterns that link problem and health-related behaviors with concentrated poverty and other indicators of residential differentiation" (Sampson et al., 2002, p. 444).

Their empirical research found a reasonably consistent set of neighbourhood factors relevant to children and adolescents

a) there is considerable social inequality among neighbourhoods in terms of socioeconomic and racial segregation
b) a number of social problems "tend to come bundled together at the neighbourhood level" including, but not limited to, crime, adolescent delinquency, social and physical disorder, low birthweight, infant mortality, school dropout, and child maltreatment.
c) these two sets of clusters are related - neighbourhood predictors common to many problematic child and adolescent outcomes include the concentration of poverty, racial isolation, single parent families, rates of homeownership, and length of tenure.

The concern of this meta study was the processes by which neighbourhoods impact child and adolescent health and social problems. The researchers found four types of neighbourhood processes that appeared to have independent validity. They were:

a) Social Ties and Interaction: The density of social ties, the frequency of social interaction among neighbours, and patterns of neighbouring.
b) Norms and Collective Efficacy: The willingness of residents to intervene on behalf of children in a community. This depended on conditions of mutual trust and shared expectations (social norms). Residents were more likely to intervene where rules and expectations of behavior were clear.

c) Institutional Resources: The quality, quantity, and diversity of institutions in the community that addressed the needs of youth, such as libraries, schools, learning centers, child care, organized social and recreational activities, medical facilities, family support centers, and employment opportunities.

d) Routine Activities - How land use patterns and the ecological distributions of daily routine activities bore on children's well-being. These included the location of schools, the mix of residential with commercial land use, and flows of nighttime visitors.

The authors argue that the strongest evidence links neighbourhood processes to crime. They point out that this was not surprising given the influence of social disorganization theory in criminology. Eleven studies suggested that crime rates were related to neighbourhood ties, patterns of interaction, social cohesion, and informal social control. A number of studies indicated that concentrated poverty, disorder, and low neighbourhood cohesion were linked to greater mental stress. This, in turn, linked to high-risk adolescent behaviors such as early sexual initiation, teen childbearing, and conduct disorder (Sampson et al., 2002).

Cabello and McLoyd (2002) reviewed a large volume of literature that identified the impact of social support as a potent influence on parenting. Isolation from social support was repeatedly associated with child abuse and neglect among poor families. They found that mothers with high levels of social support were generally more nurturing, more consistent in parenting, and less likely to use punitive strategies such as scolding and ridicule. Mothers who reported high levels of satisfaction with social networks responded more sensitively to their children.

In a review of the literature on the relationship of housing to health outcomes, Dunn (2000) found

> it is now widely acknowledged that the quantity and particularly the quality of social contacts individuals have are strongly associated with a wide variety of threats to health status (House, *et al.*, 1988). The Alameda County study, one of the most widely cited examples of such research, showed individuals' scores on a combined social network index predicted mortality with a relative risk ratio of 2.0, in an analysis that controlled for self-reports of physical health, SES, smoking, alcohol, exercise, obesity, race, and life satisfaction (Berkman & Syme, 1979). The index was constructed from self-report data from 4,775 survey respondents on four types of social contacts.

Harrison and Weiss (1998), discussed earlier in this dissertation, showed the importance of social contacts beyond the community (what Putnam refers to as bridging capital) for low income residents in gaining employment.

Based on views expressed in by these residents, and the benefits described in a large literature on social capital, it appeared beneficial to respond to the study findings by initiating social events for residents of NEHP housing. The objective was simply to facilitate getting to know one another - "something free and fun to get people out" - as Ellen suggested. Later these low intensity interactions might involve a focus on specific issues, but initially the emphasis would be on building social connections.

It was important to recognize a small geographical base for these events. Most residents had concepts of small micro-neighbourhoods with "imaginary boundaries". Many indicated that they were wary of attempting to get to know others from more than a few blocks away.

The results of this study led to an initial meeting of NEHP residents and the organization's Outreach Committee. The purpose was to plan some social events. Initial proposals were:

- "Meet and Greet" potluck dinners in each community

- Halloween social for adults
- A volunteer day for cleanup and minor maintenance

These activities may appear inconsequential. However, their objective was to build linkages. These social ties, although casual, could prove to be highly valuable as a resource. As more specific issues arose, fairly casual and informal network connections could be activated to address specific needs. This is the essence of social capital; a stored resource inherent in social relations and available for use when needs arise.

It is not possible to predict what may come of these initiatives. Not all tenants will necessarily take part. Nor will all necessarily appreciate each other's company. Establishing informal links, however, may provide a basis for meeting community needs in the future. As Kerry says.

> So I think this coming together for different things helps a little.
>
> Maybe even just on a smaller scale. You know the Alfred people all meet together, kind of thing. And that way you know your immediate little community a lot better.

Just to know a little bit more, just to break the ice. And just if you have a little bit of knowledge, you'll be more capable of going over there when there's something happening ... you'd feel you know them a little more.

CHAPTER 11

Implications for Neighbourhood Renewal

North End Housing Project has taken an approach to neighborhood development that is in many ways highly innovative. It has sought to combine strategies from a variety of disciplines in one integrated and community-controlled initiative. This multidisciplinary approach has enabled NEHP to have an impact on the William Whyte community that goes well beyond the provision of affordable shelter.

NEHP's strategy of attempting to impact local housing markets and to rebuild physical neighborhoods is unusual for a nonprofit community group. Seldom is there a convergence of public resources and community capacity sufficient to attempt a objective of this scale. The results of this study suggest that this approach is having an impact, not only in terms of neighborhood property values, but also on maintenance investment decisions made by local residents who are not direct participants in the NEHP program. There were also measured impacts on the quality of neighborhood life in William Whyte. Residents reported increased neighborhood stability, reduced fear of crime, increased levels of social support among neighbours, and greater satisfaction with living in this distressed locality.

The strategy of convergence of local production to meet local basic need was relatively innovative. The strategy is an alternative to a more common approach of export promotion. The occasion to combine a convergence approach with significant levels of public investment was an unusual opportunity. The approach has succeeded in capturing significant resources for community asset building and for re-circulation of community housing charges.

The strategy of hiring and training previously unemployed residents to perform all of NEHP's renovation work added significant value to the community and additional benefits from housing renovations. Many of the participants are now employable in an industry in which there is robust demand for labour. Over half the monetary value of the public subsidies put into housing returned to the public treasury in the form of savings in welfare and other transfer payments, and in the generation of new revenues for government. The psychosocial benefits of stable employment for these participants were not assessed in this study but are well documented elsewhere.

Also innovative in the NEHP project, was the attempt to combine housing renewal with extensive community social development. Across North America community development corporations (CDCs) are beginning to recognize that developing affordable shelter is only one aspect of creating a liveable community. The reciprocal connection between adequate housing and the quality of community life suggests that interventions in both areas will reinforce each other.

In the area of social development, two NEHP activities have been of particular importance. The first was the initiative to address culturally based social renewal among Aboriginal residents of William Whyte. In a neighborhood in which the largest recognizable group is Aboriginal, the rebuilding of community provides an occasion to re-establish culturally based decision-making structures and social institutions. This initiative is highly innovative for an Aboriginal population in an urban setting.

The crime reduction program involving Aboriginal long-term offenders has demonstrated that meaningful employment, social support, and cultural recovery can be a very effective in assisting ex-offenders to desist from crime and to pursue legitimate activity. The program now has a two-year track record of success, and will be studied further as a model for other localities .

Interviews with residents in this study have shown that the quality of community life within William Whyte has begun to improve. Residents report a greater sense of community control and security, and greater opportunities for social support among one another. The importance of these neighborhood relationships should not be underestimated. A large literature has shown that social supports can play a critical role in helping community members cope with stress, maintain health, find employment, and appropriately care for children. The housing development program offered considerable scope to increase and strengthen these mutual ties among neighbours.

The NEHP program is still in its beginning stages. It has struggled to develop its own organizational capacity, while attempting to address complex problems within a distressed community. The program has, however, begun to show results. This study suggests that it is not simply the investment of resources that accounts for NEHP's impact, but a coordinated strategy to address the multiple dimensions of community decline and need. It is possible that such a multifaceted approach may slow the processes of decline or perhaps, on a small geographical scale, may succeed in reversing them. The benefits of this integrated approach suggest that there is much in the NEHP program that could serve as a model for initiatives in other localities.

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Appendix A - Significance Levels for *t*-test Scores

Student's *t*-Distribution

	Level of Significance for one-tailed test					
	.10	*.05*	*.025*	*.01*	*.005*	*.0005*
	Level of Significance for two-tailed test					
df	*.20*	*.10*	*.05*	*.02*	*.01*	*.001*
1	3.078	6.314	12.706	31.821	63.657	636.619
2	1.886	2.920	4.303	6.965	9.925	31.598
3	1.638	2.353	3.182	4.541	5.841	12.941
4	1.533	2.132	2.776	3.747	4.604	8.610
5	1.476	2.015	2.571	3.365	4.032	6.859
6	1.440	1.943	2.447	3.143	3.707	5.959
7	1.415	1.895	2.365	2.998	3.499	5.405
8	1.397	1.860	2.306	2.896	3.355	5.041
9	1.383	1.833	2.262	2.821	3.250	4.781
10	1.372	1.812	2.228	2.764	3.169	4.587
11	1.363	1.796	2.201	2.718	3.106	4.437
12	1.356	1.782	2.179	2.681	3.055	4.318
13	1.350	1.771	2.160	2.650	3.012	4.221
14	1.345	1.761	2.145	2.624	2.977	4.140
15	1.341	1.753	2.131	2.602	2.947	4.073
16	1.337	1.746	2.120	2.583	2.921	4.015
17	1.333	1.740	2.110	2.567	2.898	3.965
18	1.330	1.734	2.101	2.552	2.878	3.922
19	1.328	1.729	2.093	2.539	2.861	3.883
20	1.325	1.725	2.086	2.528	2.845	3.850
21	1.323	1.721	2.080	2.518	2.831	3.819
22	1.321	1.717	2.074	2.508	2.819	3.792
23	1.319	1.714	2.069	2.500	2.807	3.767
24	1.318	1.711	2.064	2.492	2.797	3.745
25	1.316	1.708	2.060	2.485	2.787	3.725
26	1.315	1.706	2.056	2.479	2.779	3.707
27	1.314	1.703	2.052	2.473	2.771	3.690
28	1.313	1.701	2.048	2.467	2.763	3.674
29	1.311	1.699	2.045	2.462	2.756	3.659
30	1.310	1.697	2.042	2.457	2.750	3.646
40	1.303	1.684	2.021	2.423	2.704	3.551
60	1.296	1.671	2.000	2.390	2.660	3.460
120	1.289	1.658	1.980	2.358	2.617	3.373
∞	1.282	1.645	1.960	2.326	2.567	3.291

Appendix D is taken from Table III of R. A. Fisher and F. Yates' Statistical Tables for Biological, Agricultural and Medical Research, 6/e, 1974, published by Longman Group UK Ltd., London. Reprinted by permission of the authors and publishers.

Source: Bernard, 1994.

Appendix B- t-test of Housing Prices for each Street

Table B.1.t-Test Analysis - Alfred compared to Average of the 3 Other Streets (Aberdeen, Manitoba, and Magnus) (significant t-test scores in magenta)

Year	Alfred (1)	3 Street Average (2)	Difference (Price) (3) (1)-(2)	Difference (Percent) (4) (3)/(1)	t-test score	degrees of freedom	Significance Level
1994	25,536	26,780	-1,244	-4.9	0.180	29	-
1995	19,186	24,025	-4,839	-25.2	0.863	25	-
1996	27,917	21,417	6,500	23.3	1.561	29	0.100
1997	21,354	20,620	734	3.4	0.209	28	-
1998	13,666	15,047	-1,381	-10.1	-0.394	24	-
1999	19,550	16,923	2,627	13.4	0.725	36	-
2000	19,700	10,900	8,800	44.7	2.794	21	0.010
2001	21,300	17,560	3,740	17.6	0.797	19	-
2002	25,769	22,515	3,254	12.6	0.400	32	-

Table B.2.t-Test Analysis - Aberdeen compared to Average of the 3 Other Streets (Alfred, Manitoba, and Magnus) (significant t-test scores in magenta)

Year	Aberdeen (1)	3 Street Average (2)	Difference (Price) (3) (1)-(2)	Difference (Percent) (4) (3)/(1)	t-test score	degrees of freedom	Significance Level
1994	26,378	26,361	17	0.1	0.004	29	-
1995	26,657	21,410	5,247	19.7	0.917	25	-
1996	18,367	24,581	-6,214	-33.8	-1.609	28	-
1997	22,761	19,880	2,881	12.7	0.853	28	-
1998	18,400	13,419	4,981	27.1	1.695	24	0.100
1999	18,223	17,298	925	5.1	0.228	36	-
2000	10,117	15,835	-5,718	-56.5	-1.464	21	-
2001	22,000	17,575	4,425	20.1	0.794	19	-
2002	26,300	22,023	4,277	16.3	0.808	32	-

Table B.3.t-Test Analysis - Magnus compared to Average of the 3 Other Streets (Alfred, Aberdeen, and Manitoba) (significant t-test scores in magenta)

Year	Magnus (1)	3 Street Average (2)	Difference (Price) (3) (1)-(2)	Difference (Percent) (4) (3)/(1)	t-test score	degrees of freedom	Significance Level
1994	29,000	26,184	2,816	9.7	-0.321	29	-
1995	19,000	23,627	-4,627	-24.4	-0.712	25	-
1996	22,696	22,723	-27	-0.1	-0.006	28	-
1997	19,427	21,355	-1,928	-9.9	-0.532	28	-
1998	13,187	15,183	-1,996	-15.1	-0.710	24	-
1999	18,375	17,472	903	4.9	-0.171	36	-
2000	12,414	15,188	-2,774	-22.3	-0.718	21	-
2001	17,863	19,100	-1,237	-6.9	-0.249	19	-
2002	22,033	23,961	-1,928	-8.8	-0.379	32	-

Table B.4.t-Test Analysis - Manitoba compared to Average of the 3 Other Streets (Alfred, Aberdeen, and Magnus) (significant t-test scores in magenta)

Year	Manitoba (1)	3 Street Average (2)	Difference (Price) (3) (1)-(2)	Difference (Percent) (4) (3)/(1)	t-test score	degrees of freedom	Significance Level
1994	26,705	26,180	525	2.0	-0.566	29	
1995	24,863	21,889	2,974	12.0	0.536	25	
1996	23,729	22,349	1,380	5.8	0.331	28	
1997	16,667	21,304	-4,637	-27.8	-0.875	28	
1998	13,300	14,734	-1,434	-10.8	-0.351	24	
1999	14,078	18,712	-4,634	-32.9	-1.038	36	
2000	5,000	14,768	-9,768	-195.4	-1.140	21	
2001	5,250	20,037	-14,787	-281.7	-1.975	19	
2002	14,500	24,452	-9,952	-68.6	-1.354	32	

Appendix C

Social Capital
Needs Assessment

(RESIDENT)

Interview Schedule

Hello, my name is Lawrence Deane

I am with the North End Housing Project. I am also doing research for a Ph.D. at the University of Manitoba in housing and community development.

As you know, the North End Housing Project is renovating housing in this neighbuorhood and making it available on a rent-to-own basis. We are concerned about how people feel about living in this neighborhood. We would like to work with you to make this community a better place. I would like to get your ideas on how we can do this.

This interview will take about an hour of your time. Would you be willing to give us your ideas?

Thank you.

I just want to let you know that your participation in this interview is completely voluntary.

a) you will be free to decline to answer any question, or discontinue your participation in the interview at anytime.
b) a copy of the report of the interview will be available if you require it.
c) we will try to be accurate and respectful in describing any cultural, traditional, or religious customs that you describe in the interview.
d) we will ensure that any information given in any interviews will be treated as confidential, and that no names will appear in any reports.
e) With your permission, I would like to tape-record the interviews so that I don't have to take notes. Once the final report is complete these tapes, and transcripts or conversations will be destroyed.
f) if you are dissatisfied with the way that these interviews are conducted, or have any complaints, these can be expressed to:
The University of Manitoba Office of Research
244 Engineering Bldg.

474-7122

or
Mary Williams, Executive Director
The North End Housing Project
509 Selkirk Avenue.
953-1892

g) a copy of this information will be left with you in case you have any concerns or complaints regarding this research

1. How long and he lived in William Whyte?

2. Do you own or rent your home?

3. Do you plan to stay a long time in this community?

4. How would you describe William Whyte as the community?

5. What are positive qualities of this neighborhood?

6. What are some negative aspects of this neighborhood?

7. Are you involved in any group activities in this community? If so, how many? Can you tell me about what these groups do? Why do you feel it's important to take part in these groups?

8. About how many people in this community do you know to say "Hi" to?

9. About how many people in this community do you know well enough to have a conversation with?

10. About how many people in this community could you borrow something from if you needed to?

11. If you needed help (with childcare, or house repairs) are their people in this community that you could ask? If so, about how many?

12 Are you employed? If so, where?

13. Are you going to school? If so, where?

14. If you were trying to find a job how would you go about it? (Probe concerning networks within and beyond the community. Probe concerning agencies in the neighborhood) How effective are these resources?

15. Are you aware of the work of North End Housing Project?

16. What are the strong points of this Project?

17. What are the weaknesses of this Project?

18. What are some things that North End Housing Project could do to help build community?

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ITEMS FOR
WILLIAM WHYTE HOMEOWNERS ONLY

****

17. How long have you owned your own home?

18. How have you lived in William Whyte?

19. Do you plan to stay in this neighborhood? If so, why? If not, why not?

20. How much the think the average houses selling for in William Whyte right now?

21. In the last **three** years do you think housing prices have gone up? Gone down? Or stayed the same?

22. In the last **five** years do you think housing prices have gone up? Gone down? Or stayed the same?

23. In order of importance, what are the 3 most important factors affecting housing prices in this community?

24. Have been made any recent repairs to your house? What were they?

25. Have you made any major repairs?

26. If your house needed repairs would you be willing to invest in it? Would you invest $1000 ______ $4000 ________ $6000 ________ more than $6000________

27. If the value of your house increased by $10,000, would you be willing to invest more?

28. Housing values have actually gone up in William Whyte by $9,645 in the last three years (from $14,343 to $23,988). (On Alfred Avenue they have gone from $13,666 to $25,769. This is a rise of $12,103). What do you think is causing this increase?