

Municipal Malaise: Neoliberal Urbanism and the Future of Our Cities

By [Carlo Fanelli](#) and [Justin Paulson](#)

Global Research, May 20, 2010

[Socialist Project](#) 20 May 2010

Region: [Canada](#)

Theme: [Global Economy](#)

The 2008 Annual Report by the Federation of Canadian Municipalities, written when the Federal government was pulling in nearly \$14-billion in budget surpluses, paints a grim picture of the coming collapse of Canada's municipal infrastructure. The report found that Canada has used up 79 per cent of the service life of its public infrastructure and has set the price of eliminating the infrastructural deficit at \$123-billion.[1] While that figure is already large, the chronic underfunding of municipal projects appears much worse when framed not in terms of the cities we have, but the cities we want to live in: the funding gap would have to take into consideration a range of issues including poverty and affordable housing, environmental protection, urban redesign and renewal, and expansion of the arts, cultural centres and other public spaces. Of course, fiscal crises in our cities are nothing new; the last three decades have been characterized by increased service demands, population growth, tax-shifting, pressures brought on by amalgamation, and federal and provincial offloading. Yet the ongoing recession has become a pretext for consolidating and intensifying processes of "neoliberal urbanism."

Neoliberal urbanism broadly refers to a range of punctuated and uneven urban processes taking place in the communities where we live and work. This includes the privatization, restructuring, and elimination of public goods and municipal services; the shifting of the cost of maintenance of public resources onto the working class; the increasing precariousness of work; the devolution of responsibilities onto local governments without matching fiscal supports; the scaling of regulatory capacities upwards to regional or international institutions (characterized by little transparency, accountability, or public consultation); the reining in of the power of municipal unions and community groups; the scaling back of social entitlement programs; and expansion of so-called "public-private partnerships" that aim to create new zones of accumulation and shift a significant part of the responsibility for urban governance to corporations.

Neoliberal Restructuring of Our Cities

As a solution to the fiscal crisis, neoliberal restructuring of our cities will of course fail; it can only leave a larger social crisis in its wake. But the economic crisis is far more useful as a pretext than a target. Indeed many of the processes of neoliberal restructuring directly aggravate the fiscal crisis. Although the 'Great Recession' may have struck a blow against neoliberalism's doctrine of the infallibility of the market, we agree with Greg Albo and Herman Rosenfeld's recent assertion ([Relay](#) #28) that two of neoliberalism's key material goals for our cities have already been realized: the subjection of all workers to strict market discipline, and the political disorganization of the Left. Orthodox responses to the crisis merely strengthen these consequences.

With the federal government on track toward a \$50-billion shortfall for the fiscal year 2009-10, a recent report by Kevin Page, the independent Parliamentary Budget Officer, warns that Canada is facing a structural deficit of at least \$20-billion by 2013-14.[2] In response, the Conservative Government, as suggested in the most recent Speech from the Throne (March 3, 2010), plans to intensify rather than depart from neoliberal restructuring. We see this in measures that remove restrictions on foreign direct investment (FDI), an across the board expenditure freeze in all areas but defense, allusions to the privatization of crown assets, and the weakening of environmental restrictions on drilling in the Arctic, as well as the government's lone wolf stand against a financial transaction tax. Most ominously for workers, Treasury Board President Stockwell Day has eagerly suggested that public-sector unions need to 'share the pain' of austerity.

Ontario Premiere Dalton McGuinty and Finance Minister Dwight Duncan are on the same page, arguing that public-sector workers have been proverbially more 'sheltered' from the recession than their private sector counterparts, and should therefore have to sacrifice their hard-won wages and benefits. The referent here is of course the concessions extracted from unions at GM, Ford, Chrysler and Vale-Inco, for example, and is made possible in part by the political failures and public resentment of striking civic workers in Toronto, Ottawa and Windsor. In other words, while few outright service cuts have been proposed this year at the federal level, these are being achieved through more indirect means, with possibly greater impact: a reduction of the public sector by an assault on public sector workers (with both material and ideological trickle-down), coupled with inadequate funding of provincial and municipal services to ensure the point is made.

The province of Ontario followed up the federal throne speech by moving swiftly against public employees. With an expected record shortfall of \$25-billion and expecting deficits for the next seven years, the highlight of the provincial budget speech was a freeze on 1.06 million public sector workers' wages for at least the next two years. Affecting about 16 per cent of Ontario workers, 710,000 of which are unionized and 300,000 of which are not, public sector wage freezes are expected to 'save' the provincial government \$750-million over the next two years. However, when considering that corporate tax reductions will cost the government \$3.6-billion over the next three years, public sector employees are effectively subsidizing big business, paying for 20 per cent of the latter's tax cuts in what amounts to a massive transfer of wealth.[3] Yet to reject this transfer is to fall into a political and ideological trap: for the offensive to portray public sector workers as 'spoiled' and 'overpaid' unless they 'do their part' has already begun. McGuinty, for example, in hinting at future plans, has previously mentioned that he could have "imposed" austerity measures on 139,000 of Ontario's municipal workers if they fail to chip in. In turn, this has created a whirlwind of local campaigns calling for wage freezes, privatization and contracting-out from Toronto and Ottawa to Sault Ste. Marie and Hamilton. Unsurprisingly, Ontario is by no means alone on this. British Columbia is also calling for austerity and fiscal prudence amidst budget deficits and emerging 'exit strategies' amidst an anticipated record shortfall of \$2.8-billion. In order to attract investors, the provincial government has rolled back corporate taxes, while increasing financial incentives for drilling and pipeline construction across the province. Natural gas resources have been sold off at bargain basement prices. This reflects the government's effort to secure economic stability in key regions of economic growth while imposing restraint and labour discipline in those regions that are not considered to be economically viable. In other words, the creation of new, private sector development projects, aided and abetted by the state, continues to be prioritized over the public provision of services - using the recession as a pretext. In total, ten of the thirteen provinces and

territories are facing deficits. Meanwhile the municipal councils of the major urban centres, unable to count on provincial transfer payments, are responding to the crisis in the most orthodox manner possible: with service cuts, fee increases, privatizations, and what amounts to open warfare on the public sector unions.

The purpose of this analysis is to examine the urban crises of Toronto, Vancouver and Ottawa – the first, third and fourth largest Census Metropolitan Areas (CMA) in Canada. We focus on these three cities in part due to familiarity, but also because they vividly demonstrate the malaise confronting Canadian cities today. We will examine some of the tough choices facing cities and their inhabitants, with an emphasis on transcending the pessimism which would accept as normal and inevitable the sacrifices being demanded of the working class. We will draw particular attention to recent and ongoing labour actions which represent an intensification of attacks against the public sector and its unions, and what we hope is the beginning of a sustained fight back.

Neoliberal Ascent in Historical Perspective

Every recession in Canada since the mid-1970s has been used as a pretext to restructure the relations between capital, labour and state, and to radically reorient social policies to the benefit of the ruling class. Throughout the 1980s and 1990s, federal and provincial governments responded to economic crisis by curbing real wages, razing social programs, and selling off assets, while adhering tightly to a kind of market fundamentalism. At the same time, the weakening of socialist elements within the labour movement, political parties, and academe cleared the way for neoliberalism's ascendancy in political, corporate, and academic discourse. While some 'progressives' succumbed to a fatalistic pessimism, others turned to emerging 'third way' alliances premised on the assumption that capitalism was both natural and here to stay.

The "common sense" promoted by neoliberalism – best popularized in Ontario by Mike Harris – maintains a cult-like privileging of individual economic liberties and personal responsibility, the idealization of the private sector as a measuring stick for public sector remuneration, the "need" to shift from the universal, public provision of social services to market provision with attached user fees, the competitive lowering of taxation between jurisdictions, and tax-shifting from businesses to consumers and from property owners to the users of city services. The material fallout accompanying such ideological purity is clear: although productivity output per employee between 1980-2005 in Canada rose by more than 37 per cent, real median wages have been stagnant since 1982. In short, with employee productivity rising and outpacing growth in wages, workers are receiving even fewer of the profits they produced. By the mid-1990s, income inequality in Canada reached levels not seen since the 1930s.[4] This is nothing other than an upward transfer of wealth from one class to another.

Yet our cities, time after time, are taking it on the chin. While the federal and provincial governments have a variety of relatively flexible revenue sources (such as income, sales, corporate, resource and import taxes – tools which remain at their disposal, whether or not they choose to use them), only 8 cents on every dollar collected go back to Canada's municipalities. For our cities, property taxes remain the major source of funding, and from this, they must provide for their public utilities, public works, parks and recreational facilities, waste management, transit services, public housing, and a whole range of other social and community services and local initiatives. However, since the 1980s successive governments at both the federal and provincial levels looked to 'correct' their budget

deficits by transferring greater amounts of fiscal responsibility onto municipalities, without providing for additional fiscal capacities. This process, commonly referred to as service 'downloading' (or the 'devolution revolution'), expanded the fiscal requirements of cities without any increases in revenue sharing or generation. This is particularly clear in the fiscal crisis of Canada's largest city; if, as some have argued, Ontario represents the pre-eminent neoliberal province, Toronto has likewise come to epitomize municipal neoliberalism at the urban scale.[5] So we begin there.

Toronto

The City of Toronto recently passed a \$9.2-billion operating budget for 2010. This was on the back of an 'unexpected' \$354-million surplus in 2009. City council, partly under the direction of Mayor David Miller (formerly of the NDP), has sought to cut social services, implement regressive levies such as the personal vehicle ownership tax, municipal land transfer tax and reduce commercial property taxes in favour of increased subsidies and financial support for businesses, all while seeking concessions from the city's unionized and non-unionized workforce. We are also witnessing a renewed interest in contracting out services, privatizing municipal assets, the competitive lowering of jurisdictional taxes, and so-called public-private partnerships ("P3s"). Amidst all the up-front cost-cutting, demands on Toronto continue to grow: social insecurity stemming from the economic crisis, continued population growth (Toronto is home to roughly 40 per cent of Canada's recent immigrants and nearly 25 per cent of the province's total population), and decaying urban infrastructure have only amplified the importance of the disappearing funds and services.

Despite generous tax breaks for commercial development and the self-employed professional classes – or perhaps because of them – Toronto remains unable to meet its day to day funding requirements and the needs of its residents. Moreover, powerful business lobbies such as the Conference Board of Canada, the Toronto Board of Trade, and the Empire Club of Canada, for example, continue to lobby for the privatization of municipal assets. Leading mayoral candidates George Smitherman, Rocco Rossi, Georgio Mammoliti and Sarah Thomson have all openly embraced such privatization. Yet while the sale of public assets may provide one-time fiscal injections, the history of contracting out, P3s, and privatization shows such measures to be more expensive in the long-term, and with limited public oversight. They simply cannot resolve the structural inability of Toronto city council to meet the needs of its residents. In referring to the pattern of wage restraint set by the province, Smitherman (a frontrunner and former Ontario cabinet minister) suggested that wage freezes, attrition, differential compensation and outsourcing are all possible strategies to achieve a desired flattening of the salary curve. Likewise, Rossi has argued that he would squeeze more productivity out of unions by giving them some 'hard medicine,' while former CUPE Local 767 President and Toronto Councillor Mammoliti suggested that he prefers layoffs to reduced wages given their blunt impact. It seems that these candidates' opposition to high-speed light rail and bicycle laneways has already met with success, as the province just scrapped \$4-billion in funding to Metrolink and thereby Transit City, setting back Toronto's ailing public transit for decades.

Toronto budget chief and Councilor Shelly Carroll recently suggested a municipal sales tax for Toronto, while requesting that city departments reduce expenditures by at least 5 per cent. This is despite projected repair costs of \$310-million for roads and \$78.6-million for public libraries. Moreover, following the moves of U.S. bankers and financiers, Toronto will extend its repayment terms from 10 years to 30 years for about a quarter of the city's loans

at an additional cost of \$1.6-billion.[6]

OCAP marches through the streets of Toronto to “Raise Welfare and Disability Rates.”

In light of this, council is already moving forward with both new tax and fee hikes and further cuts in services. Water rates recently rose 9 per cent, property taxes by 4 per cent (having increased 12 per cent since 2005), and the renting of city-run facilities and recreational programs by 4 per cent (in addition to supplemental user-fees for swimming and skating); increases in public transit, garbage collection, road tolls, and parking fees are also on the agenda.

Decades of growth on Bay Street, coupled with the casualization of employment (particularly in the low-wage service sector), have taken their toll on Toronto’s poor. To make way for gentrification, the homeless and low-income populations were forced out of the urban core long before the recession. Toronto’s official unemployment rate stands at 9.5 per cent, but the ‘real’ number – including those who need more work than they can find just to make ends meet – is much higher. With more than 180,000 tenants living in poorly-funded public housing, and another 70,000 on a ten-year wait-list, welfare caseloads have risen nearly 25 per cent when compared with 2008. People of colour, women, single-parent households, the differently-abled, students, and seniors continue to fair far worse as their skills are apparently ‘uncompetitive’ given the need to maximize profits. The criminalization of poverty and homelessness, however, continues full steam ahead with the Toronto police force’s operating budget skyrocketing from \$541-million in 1999 to \$855-million just ten years later (roughly 35 per cent more than the rate of inflation). Austerity does not, apparently, extend to the need to patrol the gentrified urban core. This can hardly be understood as anything other than a transfer of resources from the maintenance of public goods to the publicly-funded protection of private ones.

Demonstrating quite clearly the growing class polarization, [recent research](#) has found that Toronto’s poor have increasingly been pushed to the margins, while the affluent move to the urban centre and the ‘middle-strata’ fades from view. Toronto is more class stratified than ever in the last four decades as mixed-use and mixed-income neighbourhoods disappear marked by politico-economic isolation and cultural segregation. Indeed, the top 20 per cent of Toronto’s wealthiest neighbourhoods saw their incomes rise 71 per cent from 1970-2000, while the bottom 36 per cent were subject to a 34 per cent drop in their incomes! As the author of the study concluded, when it comes to richest and poorest neighbourhoods both are more numerous in 2000 than 1970.

As we witnessed in the 2006 and 2008 Toronto Transit Commission, 2002 and 2009 civic workers, York University and Toronto Zellers Warehouse strikes, public-sector unions generally and the smaller municipally-based private-sector unions in particular have been on the defensive and will remain under attack for some time. Pressures to lower the conditions of employment, renege on pension promises and decrease wages, especially in the context of battered unions in the automotive and manufacturing sectors, have been intensifying as the \$1.1-billion gap in annual infrastructure and operating expenses versus revenue reinforce fiscal austerity in Toronto. Indeed, if the 1990s recession witnessed a growing courageousness on the part of capital and the state to purge the federal and provincial public-sectors of their unions, the first decade of the twenty-first century is witnessing an intensification of such attacks, first in the private-sector and, now, in a coordinated assault on what’s left of municipal strongholds in the public sphere.

While all three levels of government are facing mounting deficits and the poorest robbed of the resources enabling them to live, the Councilors and the business community can rest assured that Toronto's municipal image-branding quest and marketing strategy has been partly satisfied with the awarding of the PAN-AM games – at a cost of \$1.4-billion spread across 14 municipalities across Southern Ontario. The Athletics Village is already estimated to cost an additional \$1-billion, and – if previous sporting bids are any indication – this may rise. Is this how public money should be prioritized given the current fiscal impasse?

Vancouver

A recent report by the Canadian Federation of Independent Businesses (CFIB) claims that between 2000-2007 BC municipalities' average operating costs rose by nearly 44 per cent, while inflation and population growth rose by only 25 per cent.[7] Besides population growth and inflation allegedly being the only variables to consider, the report went on to argue that the operating costs of 129 out of 153 municipalities in BC have risen. Commenting on their statistics, CFIB Vice-President Laura Jones echoed a familiar refrain: "That kind of spending is disrespectful to taxpayers...and it's really out of touch with the economic climate. The number one thing they need to do is keep municipal wages in line with the private sector." Jones's response was, in particular, directed to the City of Vancouver, which is facing a \$60-million dollar shortfall and is looking to increase their revenues by cutting programs and raising taxes.

As in Ontario, BC municipalities have seen three decades of neoliberal urbanism transfer the fiscal burden onto cities without matching budgetary supports. The BC government is forecasting its own record-shortfall of \$2.8-billion with economic output expected to decline by 3 per cent and unemployment projected to rise to 8.3 per cent (having lost 52,000 jobs in the last 12-months), which is twice as much as 2008. As a result, the BC budget of 2009 outlined major cuts to arts funding, student aid, school repair grants, senior support services and victims of abuse, including mental health and addiction grants. What's more, nearly \$360-million in spending was cut from healthcare and \$245-million from the Ministry of Environment, as well as imposing a wage-freeze on the public sector. In turn, the Liberal government of Gordon Campbell will seek to eliminate roughly 1,500 jobs with an additional 5 per cent reduction in fiscal expenditures, while increasing monthly medical premiums, lowering taxes on capital and, as in Ontario, institute a harmonized sales tax.

The City of Vancouver has likewise decided to follow suit. As Vancouver's budgetary expenditures increased by nearly 16 per cent between 2005-2008, Mayor Robertson recently announced that the city will look to close its budget gap by laying-off approximately 158 full-time positions. Added austerity measures include wage restraints, pay cuts, the withdrawal of social services, potential contracting-out and privatization of public utilities. Moreover, in capturing the public's attention with his desire to end street homelessness by 2015, Mayor Robertson and council are looking to swap prime penthouse real-estate space near Vancouver's Olympic village in exchange for the promise that developers will include some units with reasonable prices. Vancouver's version of affordable housing highlights the ongoing dilemma of a cash-strapped city trying to raise money, while private developers receive financial support and subsidies. Meanwhile, city council is warning of the difficult decisions which lay ahead as their 'financial stabilization plan' (Vancouver's version of Toronto's 'cost containment measures') threatens to raise water rates by 9 per cent, in addition to a host of sewage and garbage fees and transit and recreational service cost hikes.

Meanwhile, business and conservative lobby groups such as the Vancouver Board of Trade and Vancouver Fair Tax Coalition (VFTC) continue to press for decreased taxes on businesses with a corresponding shift to consumers and residents. As the VFTC website boasts: “As a result of the hard work by the VFTC, city council agreed to approve another one per cent tax shift [every year for the next five years] from non-residential properties to residential properties.”[8] Yet, in shifting the financial burden from businesses and landlords to consumers and residents, the City of Vancouver will lose revenue and erode its own fiscal capacities. In addition, the recently introduced Assistance to Shelter Act, which represents a return to the Vagrancy laws which criminalized poverty and homelessness so vividly captured by Frederick Engels in the [Condition of the Working Class in England](#), aims to force the urban poor from Vancouver’s central core (where services have also been historically concentrated) into the outer regions of the city. They could, of course, always take a page from the City of Atlanta who in 1996 bribed the transient urban poor with bus tickets out of the city.

The 2007 Metro Vancouver civic workers strike and lockout, which included librarians, road maintenance personnel, social service administrators, waste management, and child care workers, remains fresh on the minds of many. If the recent back-to-work legislation by the provincial Liberals (in the case of the seven-month strike by BC paramedics) which did little to address the main issues such as scheduling, staffing levels, training, faltering equipment and the needs of rural communities, is an indication of looming labour relations between the government and its unions, it would seem that the turn from consent to coercion is continuing unabated. HandyDart workers are a particularly interesting case in point. On October 26th, 2009, Local 1724 of the Amalgamated Transit Union, representing roughly 500 workers, set up picket lines. Local 1724 workers provide approximately 5000 daily trips for seniors and the disabled, and in nearly thirty years they had never gone on strike. However, when the government-funded service was recently contracted out to a for-profit subsidiary of the American corporation MVT, the company pressed workers to abandon their pensions, cap health benefits, subcontract office and maintenance workers, forfeit a guaranteed seven and a half hour work-day, institute short-term contracts forcing workers to reapply for their positions, as well as additional surveillance and discipline proposals, limitations on transfer and promotion, and the dismissal of employees on long-term disability and maternity leave. Dave Watt, the union’s local president, argued: “This company [MVT] has already gotten money from Translink [Metro Vancouver’s regional transportation authority] to give us a decent collective agreement. Instead they are trying to maximize their profit margin by taking away our pension plan.”[9]

In early last November the union rejected MVT’s “final offer,” which offered workers nearly \$7 less per hour compared with other transit workers in greater Vancouver, by an overwhelming margin. After the two sides once again failed to reach a mediated agreement in late December, and following ten weeks of strike action, they both agreed to send the dispute to binding arbitration. The imposed settlement gave HandyDart workers a salary increase from \$21.30 in 2010 to \$22.05 in 2011, \$23.15 in 2012 and \$24.30 in 2013, and offered drivers and office workers access to a municipal pension plan. Nevertheless, HandyDart workers will continue to be paid less than their counterparts in the greater Vancouver area.

The HandyDart case offers an example of what we can expect more of in all of our cities: a community-based service being transferred to a private company in order to erode union contracts, trim the municipality’s expenditures and extract concessions from labour in the

name of 'efficiency' and 'responsible governance.' Most troubling, it seemed to have public support. Conservative mouthpiece Harvey Enchin was not speaking only for himself when he argued in the Vancouver Sun: "The company could have told all the unions to take a hike, reject all of the existing agreements, and compel any new union organized to represent the workers to try to negotiate a first contract from scratch. The company could have then stonewalled until the union, unable to reach an agreement, was decertified." [10] (Enchin went so far as to allege ties to New York's mafia.) Despite the fact that the strikers continued to provide some services during the strike, such as for those requiring dialysis or cancer-related treatments, the PR victory – as in so many recent strikes – went to the neoliberals.

Ottawa

Public services in the nation's capital fare slightly better, but the city remains under-funded. As Ottawa continues to be squeezed by the province and the federal government, like other cities it is responding by shifting increasing amounts of the fiscal burden from property owners and those who can most afford it to the end-users of public services. Closing the \$95-million shortfall projected for 2010 is resulting in few outright service cuts, but the costs will be felt most prominently by the city's working class.

The budget passed at the end of January was not as bad for public services as had originally been proposed: some transit routes scheduled to be cut were taken off the chopping block, while homeowners on tree-lined suburban streets will continue to benefit from city funding for tree pruning and stump removal (a service contracted out to local businesses, but which was also in danger of being cut). The funding of the shortfall, however, remained quite orthodox: the Council capped individual property tax increases (based on assessments that are already lagging property values by a significant margin) at 3.77 per cent, while increasing transit fares 7.5 per cent (a short bus ride in town will now cost \$3.25 – as compared to \$2.50 in Vancouver and \$3.00 in Toronto), rental fees for community facilities by 2 per cent, and water/sewer rates by 4 per cent. [11] This was spun as a way to keep taxes low, the declared priority of Mayor O'Brien and much of the Council, but end-user fees for public services are little more than a hidden tax on the poor; they should not be understood as anything other than thinly-disguised class warfare.

Thin disguises, however, work well in Ottawa; the capital is perhaps unique among large Canadian cities in having very little in the way of an organized left in city politics. Although there is not (as yet) a major sporting event coming to Ottawa to suck up public resources, the biggest urban planning controversy in recent years revolved around what to do with the decaying stadium at Lansdowne Park, in the historic Glebe neighbourhood. When the City Council proposed a sole-source, no-bid, \$250-million public-private partnership to redevelop the entire park in such a way that could attract box stores and a CFL team, the Glebe residents and businesses offered vociferous opposition – but of the NIMBY variety. The opposition failed, and the proposal passed in late 2009. But the incident highlighted the extent to which urban planning in Ottawa has simply been lurching from one private business deal to another, with no organized left pushing for a comprehensive vision of what kind of city we want to live in.

Every year there is a smattering of public debate about which programs should be cut, which should be spared, and from where the additional revenue should come. Yet what we have witnessed in Ottawa – and we presume this is similar elsewhere – are demands made by single-interest groups appearing before Council to defend their turf, or to insist on a

specific provision for them in the municipal budget. Most of these are important demands. Yet their piecemeal approach means that any successes in one area, as important as they may be, are simply offset in another – effectively pitting parks against ambulances, student transit passes against the actual number of bus trips, community centres against low personal tax rates. In the absence of a credible alternative in public discourse, and a social movement pushing for it, the ‘new normal’ in Ottawa is, as elsewhere, the maintenance of ‘competitive’ business climates, little public input into urban (re)development, and P3s that stand to contribute significantly to the city’s fiscal crisis while fattening a few pockets in the process. Only three years ago, Ottawa had to bail out two prior P3 recreation arena projects;^[12] but memories are short. A strong Right to the City movement (as has developed elsewhere in the world under a variety of names) could change this, but one has yet to develop.

Meanwhile, the OC Transpo strike, which paralyzed Ottawa for seven weeks last winter, was a shot across the bow of public-sector unions. The intention, barely concealed by Mayor O’Brien, was simply to break the union and offload costs onto labour. On the only issue that really mattered to the union – that of driver scheduling – the city refused to talk, thus precipitating the strike in the coldest part of the Ottawa winter. The city gambled (correctly) that there could be little public sympathy for a bus strike when it was -20 outside, while the union ignored the public and focused on the internal dynamics of the strike itself. In the end, the dispute was forced into binding arbitration.

There was nothing technically wrong with the logic of the union: as long as discipline remained on the picket line, the union would survive. It did not matter how much hate mail flowed to the Ottawa Citizen or what the Mayor was saying on television. Yet the strike caused deep divisions within Ottawa’s working class; there was little solidarity with the union amongst the riders, to whom there seemed not to have been sufficient outreach before or during the strike. For those who do not normally ride the bus, day after day Ottawans were told how much the strike was costing them – with the onus placed on the union rather than the city. Outside some sectors of academia, it seemed there was no popular support for the strike at all. This has repercussions that go beyond the bus drivers themselves, for it was, again, the logic of neoliberalism that won the day: unionized public-sector workers were treated as if they were spoiled children who enjoyed holding a helpless city hostage until their demands were met.

Nothing could be further from the truth; but the strike thus highlighted a particularly vexing problem for public sector unionism: although people want public services, they are not always willing to go to bat for those who provide them. The inconvenience the strike posed to other workers may have had a great deal to do with this: the museum workers, on strike earlier this winter, seemed to garner a great deal more public sympathy. Without cross-sectoral political or social movement unionism, or at least a strong left making a dent in popular consciousness, individual public sector strikes can easily be spun by the city in such a way as to reinforce neoliberal common sense rather than challenge it. In such a climate, any public sector strike that is not a clear win becomes part of a long-term defeat.

Conclusion: How to respond?

So how do we get from the cities we live in to the cities we want? Processes of neoliberal urbanism will continue apace in the absence of left alternatives mobilized at the municipal level. We have to think strategically and go beyond mere defensive posturing. The fiscal crisis is real, but both ends of it – the increased need for public services and the declining

revenue base – are caused by capital, not the working class nor the successes of its unions.

In the current funding model, the public provision of municipal services is made possible only by physical growth (new properties mean new property taxes), provincial and federal grants, and fees and service charges. During an economic downturn, the first is unlikely (while the existing tax base remains flat until home prices pick up, and assessments catch up with them). Grants, meanwhile, dry up in the absence of sustained stimulus. Thus the only options remaining during fiscal crisis appear to be to levy new taxes or raise existing tax rates, cut services, sell off services or assets, raise user fees, or cut costs by squeezing labour or developing P3s (though the latter are often more expensive in the end). Thinking inside this box, the fight is then about which services get cut or privatized, and whose taxes and fees get raised, and at what proportion.

Public-sector unions are on the front lines of this battle. Currently in a defensive position as they come under attack at all levels (federal, provincial, and municipal), they of course must defend their members against rollbacks of hard-won benefits. Yet the vitriol directed at them is intense – as if they live lavish lives at the expense of non-unionized workers. The OC Transpo strike in Ottawa, the municipal workers' strike in Toronto, and the HandyDart strike in Vancouver suggest that there is much to do to overcome popular hostility toward striking workers. Changing this attitude is not primarily the task of the unions themselves (although in the OC Transpo and Toronto civic workers case, their attempts at public relations were disastrous and could certainly be improved), but of the broader left. Although there are some 'green shoots' to be found during recent labour actions, the solidarity between non-unionized and unionized workers, and between the general public and striking workers, remains in a deep crisis of its own. We need to do much more to support the efforts of workers on the picket lines, and one way to do this is to fight harder to make a strong public sector once again part of common sense. On the left, we know that the public provision of goods and services, well-managed in a way that fosters sustainable development and social justice initiatives, and which is accountable to the community, significantly improves the standard of living in our cities. We should be doing more to ensure that the public at large understands this as well – and fight to make sure property owners and the wealthiest among us pay their fair dues to keep the public sector strong. The Right seems to always be a step ahead of us when it comes to shaping common sense; it's high time we took the offensive here. This needs to be highlighted in every social movement of labour and activists.

But part of the problem is structural: Canadian unions today are designed to look out for their members, not for the working class as a whole, and as long as they remain under attack and permanently on the defensive, there is little else they can do. They cannot transcend the institutional and legal limitations that dictate so much of their behaviour. This leads us to our next point: that we should think outside the box as well. While we certainly need to be pushing the burden of the fiscal crisis onto the capitalist class and off the backs of workers, and we can (and should) argue for greater commitments by the federal and provincial governments to alleviate the fiscal crisis of the cities, it should be clear that the management and funding of Canada's municipalities is fundamentally broken.

Fixing them requires a new kind of broad social movement unionism, and a great deal of collective capacity building in order to bring together workers, social justice activists, and community groups. In short, we ought to stop treating cities as the backbone of capital and treat them as the places that most of us live, work and play. Our collective struggles have tended to take the form of demands of the city, while they ought to be based in class consciousness – and urban consciousness – and demand instead the opportunity to

restructure the city to serve our needs rather than those of capital.

The good news is that some of this is already happening, not only in various parts of South America but also here in Canada. In Toronto, unions and social justice activists together are asking, within the context of what may become a broad social movement, how we can make public services more community-driven, in such a way as to address existing inequalities and environmental concerns while expanding access and improving the quality of life in the city. The Greater Toronto Workers' Assembly, which came to fruition as we were writing this essay, may herald a new generation of social movement unionism, and a new model of working class mobilization. If successful, we look forward to its adoption in Vancouver, Ottawa, and elsewhere. •

Carlo Fanelli is a member of CUPE and graduate student at Carleton University.

Justin Paulson is an Assistant Professor in Sociology and Political Economy at Carleton University.

Notes

1. [Federation of Canadian Municipalities, Annual Report 2007-2008](#).
2. Steven Chase, [Budget Officer Warns of Tougher Times Ahead](#); Alexandre Deslongchamps, [Page Say's Canada has 'No Targets' to Erase Deficit](#).
3. [Public sector workers paying for corporate tax cuts](#), Larry Brown.
4. Baragar, F. (2009). "Canada and the Crisis?" In Guard, J. & W. Antony (eds.), [Bankruptcies and Bailouts](#), pp.77-106. Halifax: Fernwood Publishing.
5. Albo and Evans; For an analysis of Toronto's fiscal crisis see [Fanelli 2009](#).
6. Paul Moloney, "[Borrowing can't fix repair backlog](#)," Toronto Star, 9 December 2009.
7. John Bermingham, "[Municipalities' spending outpacing real growth](#)," The Province.
8. [Vancouver Fair Tax Coalition, Good Businesses Create Good Neighbourhoods](#).
9. [Amalgamated Transit Union 1724](#).
10. Harvey Enchin, "[HandyDart Arbitration](#)," Vancouver Sun.
11. Neco Cockburn, "[Council Passes Budget, 3.77% Tax Hike](#)," The Ottawa Citizen, 29 January 2010.
12. Toby Sanger and Corina Crawley, "[The Problem with Public-Private Partnerships: Economic crisis exposes the high costs and risks of P3s](#)," CCPA Monitor, 1 April 2009.

The original source of this article is [Socialist Project](#)

Copyright © [Carlo Fanelli](#) and [Justin Paulson](#), [Socialist Project](#), 2010

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Carlo Fanelli](#) and
[Justin Paulson](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca